

The NATIONAL UNDERWRITER

For twenty years

In October, 1916, the Eagle Star was entered for direct agency business in the United States, and is now completing two decades of American operations of which it is proud.

During that period there has been maintained reserves amply covering all requirements of the New York Insurance Department and the investments have been of a class that would stand the most conservative scrutiny.

One of the largest British insurance companies doing business in the United States, the Eagle Star is also one of the older insurance institutions, tracing its operations back to 1807 through one of the three companies which were merged to form the present company.

It writes all classes of fire, automobile and

marine insurance and is entered in all states except Vermont and Delaware.

It has specialized in Rain Insurance and was the first stock company to issue a rain policy in this country.

The company is affiliated with the National Board of Fire Underwriters, the E. U. A., W. U. A., and other underwriting associations.

It maintains an aggressive business development department, and prompt and courteous handling of agency problems is a fundamental operating principle.

ADMITTED ASSETS over \$6,000,000.00
SURPLUS TO POLICYHOLDERS over \$3,500,000.00

Eagle  Star
and
British Dominions
Insurance Company Limited
of London, England

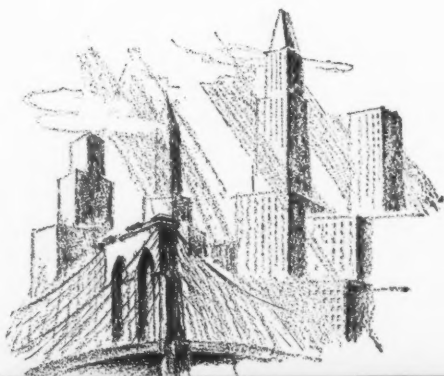
UNITED STATES BRANCH — 90 JOHN STREET — NEW YORK CITY
Marine Department — 111 John Street

WISCONSIN AGENTS CONVENTION

THURSDAY, OCTOBER 22, 1936

American Agency System

The Commercial
Union Group not
only believes
in the American
Agency System,
but supports it 100%



COMMERCIAL UNION GROUP		
COMMERCIAL UNION ASSURANCE COMPANY, LTD. AMERICAN CENTRAL INSURANCE COMPANY COLUMBIA CASUALTY COMPANY THE PALATINE INSURANCE COMPANY, LTD.		THE OCEAN ACCIDENT & GUARANTEE CORPORATION, LTD. THE BRITISH GENERAL INSURANCE COMPANY, LTD. UNION ASSURANCE SOCIETY, LIMITED THE COMMERCIAL UNION FIRE INSURANCE COMPANY
NEW YORK	CHICAGO	ATLANTA

(STOCK COMPANIES)

These Companies write practically all forms of Insurance, except Life

NO ENGINEER!

The average householder cannot detect what might be dangerous defects in his heating boiler.

Show your clients that our expert inspection service alone, is well worth the small cost of an F. & C. Boiler Explosion Policy.

PROVED BY THE ACID TEST OF TIME

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE & INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Boards
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK

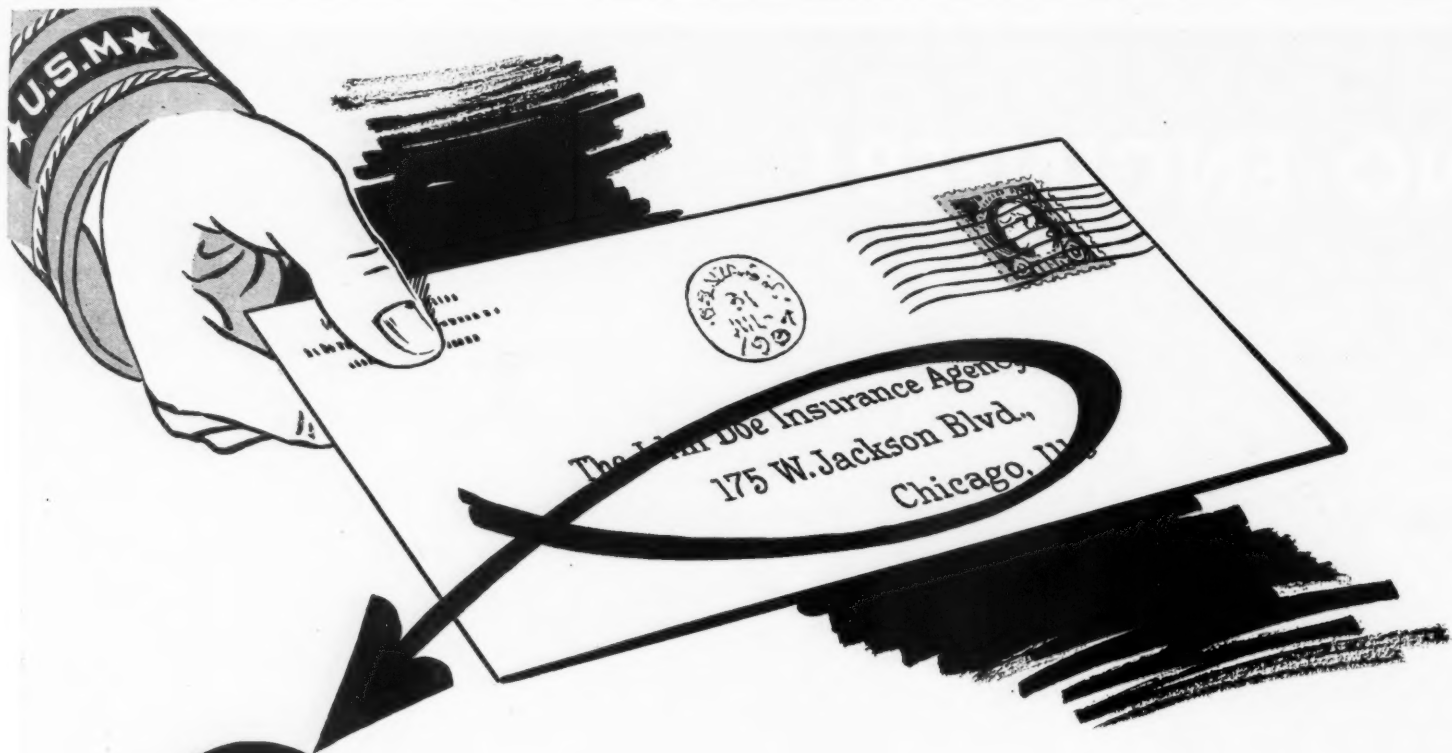
CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL



"175 W. Jackson Blvd."

The Best Known Address in the Insurance Business

In Chicago there is a greater concentration of insurance offices in one building than there is in any city in the United States. In such notable eastern insurance centers as New York, Philadelphia and Hartford there are of course hundreds of offices but they are located in a great many different buildings. In Chicago we have this very special set-up by which a great majority of all of the insurance offices are in one location.

This means that insurance men all over the country, when they think of the insurance business in Chicago, think of 175 West Jackson Blvd.

The bulk of all the insurance mail coming into Chicago comes into the 175 West Jackson address.

Such an address has great value to any insurance company or agency and it is the logical location for a Chicago insurance office.

*Rental Information in detail will
gladly be furnished upon request.*

INSURANCE EXCHANGE BUILDING
175 WEST JACKSON BOULEVARD
CHICAGO

E. W. Rinder
Manager

R. C. Swanson
Asst. Mgr.

Wilson Outlines Year's Objectives

New Head of National Agents' Association Tells His Program

PRESERVES CONTINUITY

Oklahomans Hear About Branch Office, Surety Commission, Retrospective Rating, Financial Auto Situations

W. Owen Wilson of Richmond, Va., went to Oklahoma City to give his first formal address as president of the National Association of Insurance Agents, at the meeting of the Oklahoma Association of Insurers. He cited some of the current situations in which the National association is interested and he told what the attitude of his administration would be toward those situations. Unlike politics, a change in the administration of the agents association does not bring an upheaval. There is a continuity of purpose and Mr. Wilson stated his plan is to build on the achievements of those who have gone before.

Continuity demands, he declared, that the agents have some statements from the fire and casualty companies as to what progress has been made toward the objective of bringing about parity between acquisition cost of agents and branch offices. He referred to the meeting last May between the conference committee of the agents association and a special committee of the Insurance Executives Association, at the conclusion of which there was apparent accord on the principle that whether a company elects to operate through agents or its own branch offices, the true production cost should not vary materially and that neither method of operation should of itself afford an advantage nor create a disadvantage.

Recalls Casualty Parley

At that meeting it was suggested that payment of the same commission to brokers and non-policy writing agents be limited to that provided by local boards and approved by regional organizations having jurisdiction; elimination of free office space, clerical help, telephone service and other overhead items. It was also suggested there be set up some joint committee for settlement of controversies.

A similar conference was held with casualty executives. Those officials, according to Mr. Wilson, agreed that strictly production cost in branch offices and home office counters should not exceed general agency commissions. The casualty companies said they would like to see the situation cleared up but had not been able to devise a suitable plan. They stated that since approximately a year ago, when the acquisition cost conference put into effect a ruling eliminat-

(CONTINUED ON PAGE 44)

Many Problems Offered by Automobile Trailers

Members of the Automobile Superintendents Club of Chicago, an organization that has tackled seriously the underwriting problems in connection with the rapidly expanding auto home trailer industry, had an opportunity at a luncheon meeting Monday to learn some important and interesting facts about that industry. The speaker on that subject was S. L. Davis, head of the Pierce Arrow Illinois Company, which has come out with a line of modern trailers. L. L. Sanders, automobile manager of the National, and president of the club, is particularly interested in the trailer problem. He is head of the committee of the association that is engaged in research on the subject.

The trailer presents a multiplicity of problems to insurance so far as all forms of automobile insurance are concerned and also from the marine standpoint.

Underwriting Considerations

Mr. Davis cited some of the factors in which he said insurance men should be particularly interested. He urged the insurance companies to formulate a definite schedule indicating what constitutes an A-1 trailer. The most important factor from a safety standpoint, he indicated, is the device that hitches the trailer and towing car. The insurance company should insist upon hitches that will stand certain stresses. There should be a secondary hitch that will make a connection in the event that the ball pin breaks in the primary connection. The insurer should insist that the brakes on the trailer are perfectly balanced and that the wheel geometry is right. The trailer should be equipped with safety chains. It should consist of a good, safe frame. The windows should be safe and there should be visibility. Attention should be given to the wiring to be sure that it is properly insulated.

Will Be Permanent

Mr. Davis expressed the belief that the use of the trailer will continue to multiply and that the device has become a permanent institution. He does not share the belief of some that the trailer, in its development, will be comparable to pygmy golf.

Although public attention is becoming more and more focused on the trailer, with the result that many think of it as a brand new development, it has rather a venerable history. In 1919, he said, General Motors built a trailer. At the Chicago automobile show a year ago four trailer manufacturers exhibited.

The outstanding manufacturer today is Covered Wagon, Inc., of Mt. Clemens, Mich. This was started by a Detroit chemist who built a tent on wheels for his own purposes and got the idea of getting into production when several of his friends asked him to produce similar contraptions for them. He invested \$700 of his own money and borrowed \$10,000. In 1935, Covered Wagon built 1,229 trailers and in one month of this year, July, it built 1,234. This concern will construct 10,000 trailers this year. No one knows, according to Mr. Davis, how many trailer manufacturers there are in this country. Only a few of the

manufacturers can be described as good, he said. Many of the builders are carpenters, alley repair shops, etc.

The big automobile manufacturers are watching developments but are not yet prepared to enter production. These large operators, he said, will not enter the field unless they feel that each one of them can dispose of at least 100,000 trailers a year.

The second most important builder is Silver Dome and the third is Palace.

Much progress is now being shown in the engineering of trailers, Mr. Davis said. They are constantly being made safer and sounder. The manufacturers are being besieged by the public. A good class of people is becoming interested.

Work of William Stout

He told of the work of William Stout, well known designer of some of the new streamlined trains. He is building what he describes as a mobile home. This is a contraption that folds and unfolds. Folded it has a width of seven feet. On location, it can be unfolded in about seven minutes, to a width of 20 feet and containing three rooms. Mr. Stout believes that this will be a great development. He believes that thousands of people will establish their lares and penates in these mobile homes.

One of the most significant developments of the trailer is for commercial purposes. This is something in which the marine people will be particularly interested. The trailer is especially well adapted for the display of merchandise. To indicate the possibilities, Mr. Davis said that Scholl, the maker of various devices for the foot sufferer, recently bought trailers for his salesmen. Previously these salesmen averaged about \$150 production per day. Those using the trailers are now selling \$300 of merchandise a day. Among other concerns

(CONTINUED ON PAGE 44)

September Loss 23% More Than Same Month 1935

The country's fire losses during September, the National Board reports, aggregated \$20,413,537; less by 6 percent than those for the preceding month, but greater by 23 percent than the record of September, 1935. That is the thirteenth month in which losses have exceeded those for the corresponding period, twelve months previous.

The addition of the latest figures increases to \$219,975,984 the losses for the first nine months of the year, compared with \$190,533,202 experienced in the comparable period of last year.

The record by months, both of 1935 and 1936 thus far, is as here given:

	1935	1936
January	\$23,430,504	\$27,729,930
February	25,081,825	30,909,896
March	24,942,703	29,177,406
April	23,267,929	25,786,835
May	21,238,205	21,479,380
June	18,499,675	20,407,485
July	19,293,619	22,357,020
August	18,137,060	21,714,495
September	16,641,882	20,413,537
Total	190,533,202	\$219,975,984

Day's Plagues: Rate Cut Clamor, Taxes

President Clark Treats Two Issues in Addressing W. I. B.

Mid-Year Parley

MEET AT WHITE SULPHUR

Finds Agitation for Tariff Reductions Is Inspired Almost Entirely From Political Sources

By GEORGE E. WOHLGEMUTH

WHITE SULPHUR SPRINGS, W. VA., Oct. 21.—In his report as chairman and president of the Western Insurance Bureau at the semi-annual meeting here this week, H. A. Clark of Chicago, vice-president and western manager of the Firemen's, commented on the taxation problem and that of political clamor for rate reduction. Most of his address was concerned with the relations of the W. I. B. and the Western Actuarial Bureau.

Committee Reports Read

The meeting was informal and the program short, being given over largely to reports. President H. A. Clark, Firemen's, Chicago, presided and reported as chairman of the board. Vice-president E. E. Soenke, Security of Iowa, gave recommendations of the uniform forms committee. H. M. Giles, Millers National, Chicago, treasurer, represented R. S. Danforth of that company for the field club committee. A meeting of the Western Sprinkled Risk Association was held.

Mr. Clark appointed an entertainment committee consisting of W. E. Wol-laeger, Concordia, chairman, and L. W. Brown, Firemen's. Mr. Clark automatically serves as chairman of the press committee, the other member being A. F. James, Northwestern National, who is vice-president of the bureau. The time and place of the spring meeting is left to the directors.

Most of the members took advantage of the fine weather to get in a few rounds of golf.

Taxes, licenses and fees, according to Mr. Clark, should be consolidated into a single fee adequate to support the department as a service organization instead of one for general revenue. Each year there is imposed upon policyholders, through the companies, a greater tax, only a small portion of which goes to maintain the department.

Taxes Up, Income Down

He declared that taxes have increased nearly 33 1/2 percent in the last 10 years while national income decreased about 30 percent. To exact 10 billion dollars in taxes on national income of 53 billion dollars is a serious burden, he observed. There is too much overlapping and duplication of taxes. Too often

(CONTINUED ON LAST PAGE)

Insurors of New Hampshire Meet

John W. Downs of Boston Attacks
Compulsory Automobile
Insurance Laws

MASSACHUSETTS IS CITED

Association Elects R. N. Davis as
President; E. U. A. Handling of
Brokerage Rule Criticised

President—Robert N. Davis, North
Conway.

Vice-presidents—George E. Clark,
Lisbon; Stowe Wilder, Portsmouth;
Rudolph Keller, Manchester.

Secretary—Stewart Nelson, Concord.
Executive committee—Arthur H. Nel-
son, Lancaster; Donat Corroveau,
Nashua; John W. Morrison, Dover;
Robert S. Perkins, Manchester; Rob-
ert M. Clark, Keene; John W. Mc-
Crillis, Newport; Howard Byse, La-
conia.

National Councilor—Archie B. Gile,
Hanover.

By RALPH E. RICHMAN

MANCHESTER, Oct. 21.—Mem-
bers of the New Hampshire Associ-
ation of Insurance Agents meeting here
elected Robert N. Davis of North Con-
way president and heard a warning by
John W. Downs of Boston, Insurance
Federation of Massachusetts counsel,
against a compulsory automobile insur-
ance bill in New Hampshire. Mr.
Downs, vigorously attacking the propo-
sal, cited the experience in Massa-
chusetts.

Arthur H. Nelson of Lancaster, re-
tiring president, recommended in his
annual report that the committee of 15
appointed by Gov. H. Styles Bridges
give careful study to the subject, since
he considers it likely such a bill will be
introduced in the next session of the
legislature.

Other officers are:

Stewart Nelson, Concord, secretary
treasurer; George E. Clark, Lisbon;
Stowe Wilder, Portsmouth; Rudolph
Keller, Manchester, vice-presidents; and
Arthur H. Nelson, Lancaster, Donat
Corroveau, Nashua, John W. Morrison,
Dover, Robert S. Perkins, Manchester,
Robert M. Clark, Keene, John W. Mc-
Crillis, Newport, Howard Byse, Le-
conia, members of the executive com-
mittee. Archie B. Gile, Hanover, was
reelected national councilor.

Qualifying Bonds Written

Bonds qualifying nonadmitted com-
panies to meet financial responsibility
laws are being written by some of the
casualty companies, Mr. Gile said. He
urged agents to inquire from their own
companies concerning action on this
point. He asked the agents to approve
the plan of an agency conference com-
mittee representing the Eastern Under-
writers Association states. He was
very critical of the delay of the EUA
in dealing with the brokerage rule
which New Hampshire agents have
been seeking to have changed. He said
this delay did not square with the co-
operative spirit and statements paraded
at the Pittsburgh convention.

Follett Greeno, representing the na-
tional Association, discussed problems
common to New York and New
Hampshire, dwelling at length on New
York's successful fight against compul-
sory automobile insurance.

The last speaker at the business ses-
sion was Mr. Downs.

(CONTINUED ON LAST PAGE)

Special Wisconsin and Oklahoma Meet Inserts

Annual meetings of two state
associations are reported in spe-
cial inserts in this issue.

Roy W. Landstrom gives the
details of the Wisconsin Insurance
Agents Association meeting on
pages 29-32. William A. Scanlon
tells of the Oklahoma Association
of Insurors gathering on pages
33-34.

Conventions of the Indiana,
New Hampshire and Ontario
agents are also covered in special
reports.

Verdict Against U. S. Fire for Schenley Liquor Loss

NEW YORK, Oct. 21.—A verdict of
\$132,523 plus interest from Sept. 16,
1934, was awarded the Schenley Dis-
tillers Corporation against the United
States Fire, by Judge Cox of the
United States district court for southern
New York.

The action resulted from the destruc-
tion of the J. E. Pepper Co., whisky
warehouse at Lexington, Ky., April 28,
1934, and involved the responsibility of
the Schenley Distillers Corporation to
report values in the warehouse at the
end of the month preceding the fire.
The court held that "failure to fill in the
blank in clause 8 was deliberate."

The United States Fire maintained it
was liable only for its 5 percent partici-
pation in the Schenley schedule writ-
ten under an I. U. B. form, as shown
in reports of the previous December,
the last filed by the corporation, and on
the basis of values at the time, approxi-
mately \$450,000, it offered to pay \$24,-
000. The total loss in the fire was close
to \$2,600,000.

Cravens, Dargan & Co. Tell About Cotton Loss Dispute

ISSUES ARE COMPLICATED

Nature of Policy Provisions of Hart-
ford and St. Paul F. & M. Cover-
ing Same Property Litigated

Cravens, Dargan & Co. of Houston,
the general agency, in response to an
inquiry, has given a memorandum con-
cerning the somewhat obscure and
tangled litigation involving liability for
certain cotton losses in Texas in which
Hartford Fire and St. Paul Fire &
Marine are the disputants.

There have been two decisions, one
favoring Hartford Fire and the other
St. Paul Fire & Marine. Cravens, Dar-
gan & Co. is interested because it
placed the cover with St. Paul Fire &
Marine.

Loss at Kaufman, Tex.

Cravens, Dargan & Co., decided to
put out a reporting form on cotton at
state rates, following the refusal of the
insurance commission to approve the
form and the rates desired by the two
cotton insurance pools. The first form
was modeled after the I. U. B. report-
ing form, but subsequently the state au-
thorities put out an approved and
amended form, No. 161-A. This was
adopted in 1935 and is still the approved
form.

St. Paul Fire & Marine had a policy
on cotton in a compress at Kaufman,
Tex. The compress burned on Sept.
18, 1935. G. M. Easley, adjuster for
Cravens, Dargan & Co., ascertained
that Commodity Credit Corporation
held a large number of receipts for cot-
ton on storage in that compress. Under
Texas laws, Mr. Easley maintained, the

(CONTINUED ON PAGE 46)

Crop Insurance Seems Nebulous

Private Companies Fear to Under-
take Any Broad System
of Coverage

HAZARDS ARE TOO GREAT

Government While Studying the Ques-
tion Has Been Unable to Devise
a Practical Scheme

NEW YORK, Oct. 21.—While hold-
ing some justification exists for at-
tempting to provide some insurance
against calamitous crop failures, the
National Industrial Conference Board,
in a report of an investigation, lists
12 problems that must first be solved.
It fears any scheme would fall under
political control. "All-risk crop insur-
ance, which has been endorsed by
both parties, has been written from
time to time by private companies, but
has invariably proved unsuccessful. As
the coverage rises to a point that farm-
ers consider worth while, the premium
increases so rapidly that they cannot
afford, or do not desire, to insure.
Adoption of proposals to pay pre-
miums and indemnities in kind and to
store surpluses until times of crop
failure, known as the 'ever-normal
granary plan,' would further compli-
cate an already difficult insurance prob-
lem."

NEW YORK, Oct. 21.—A plan for
furnishing farmers with crop insurance
may eventually be worked out by the
federal government, though underwrit-
ers express grave doubts in the matter.
Up to this time, though public officials
at Washington have been delving into
the problem for several years, nothing
tangible has been evolved.

A representative of the administration
spoke on the subject at the annual con-
vention of the National Association of
Mutual Insurance Companies at Phila-
delphia, touching on it along very gen-
eral lines only and stating frankly that
while considerable data had been assem-
bled and more would be accumulated, it
would be some time before a workable
program could be prepared.

Do Not Regard Plan Practical

While the mutual men heard the
speaker courteously, and adopted a res-
olution promising to lend whatever aid
they might in making the idea effective,
few regarded the proposed scheme as
practical, certainly not in so far as pri-
vate insurance carriers are concerned.

The Hartford Fire has a greater
knowledge of crop insurance than any
other agency in the country, and freely
placed its accumulated experience mat-
erial at the service of the government. In
past years the company experimented
in writing coverage on rice paddies in
the Carolinas; fruit in southern Califor-
nia and in Florida, and on different crops
in other sections.

Problem Before Companies

In the minds of companies, both stock
and non-stock, crop insurance in order
to be safely written would have to be
patronized by farmers located through-
out broad belts; in highly favored sec-
tions, where crop failures are virtually
unknown, as well as in the districts sub-
ject to periodic drouth or other condi-
tions. They point out the unlikelihood,
for example, of the farmers in Ohio,
Illinois and other climatically favored
states paying premiums to offset haz-

(CONTINUED ON PAGE 24-B)

THE WEEK IN INSURANCE

Western Insurance Bureau holds semi-
annual meeting at White Sulphur
Springs. Page 3

W. Owen Wilson, new president of the
National Association of Insurance
Agents, outlines the objectives of his
administration, in address before the
meeting of the Oklahoma Association of
Insurors. Page 3

Automobile trailers offer many insur-
ance problems. Page 3

Crop insurance seen as nebulous idea
by underwriters, National Industrial
Conference Board lists 12 problems to be
met. Page 4

Blue Goose annual grand nest meeting
breaks all attendance records. Page 5

Multiplicity of losses is caused by ex-
plosion in the nine story Liberty Bank
building in Waco, Texas. Page 5

Political coercion in placing insurance
in Illinois is charge hurled against Gov-
ernor Horner by Republican Gubernatorial
Candidate Brooks. Page 13

Movement to revive Fire Underwriters
Association of the Northwest is launched
at annual dinner of Life Members So-
ciety. Page 13

New Hampshire Insurance Agents As-
sociation holds convention. Page 4

J. Stewart Pearce, Tulsa, elected pres-
ident of the Oklahoma Association of
Insurors at annual meeting. Page 33

Indiana agents reject compensation
comprehensive rating plan at annual
meeting. Page 5

California Association of Insurance
Agents is meeting this week at San
Jose, Cal. Page 9

Discussion arose at the convention of
mutuals as to consumer cooperative buy-
ing movement. Page 47

C. D. Sheffe, assistant United States
manager of the London Assurance,
speaks before Tennessee local agents. Page 13

Massachusetts Association of Insur-
ance Agents is holding its annual meet-
ing this week at Springfield, Mass. Page 25

S. O. Mason elected president at On-
tario Agents Association's annual meet-
ing. Page 26

Wisconsin agents demand full com-
pensation commissions, reject all offers. Page 29

Disability claim problems reviewed at
first fall meeting of Chicago Claim As-
sociation. Page 35

Setup and management personnel of
two big casualty organizations are re-
cast. Page 35

Retrospective rating plan for work-
men's compensation filed in number of
rate regulation states by National Coun-
cil on Compensation Insurance, to be
effective Jan. 1. Page 36

Interest is taken in the efforts of the
courts in Chicago to demand deposits of
surety companies where they issue bonds. Page 37

Air Hygiene Foundation completes
survey of occupational disease situation,
from legal standpoint, in each of the
states. Page 35

Developments in the Pacific Mutual
Life case are reviewed. Page 37

Personnel of 1937 Accident & Health
Week committee is announced. Page 38

Leuty Takes Top Blue Goose Post

Vancouver Selected for 1937 Gathering in August—Attendance Record

GROUP INSURANCE OUT

McKeel of Raleigh, N. C., Gets Keeper's Post—Wilson and Henne Pledge Cooperation

NEW OFFICERS ELECTED

Most Loyal Grand Gander—H. B. Leuty, Atlas, Vancouver, B. C.
Grand Supervisor—J. Clark Buchanan, Los Angeles.
Grand Custodian—Ralph W. Hukill, Fireman's Fund, Norwood, O.
Guardian—Joseph R. Knowlan, Knowlan, Thorpe & Co., Philadelphia.
Grand Wielder—C. P. Helliwell, Milwaukee, (reelected).
Grand Keeper—Ben S. McKeel, New York Underwriters, Raleigh, N. C.
1937 meeting Vancouver, B. C., in August.

By WILLIAM A. SCANLON

Vancouver received double honors at the annual grand nest meeting of the Blue Goose in Oklahoma City. H. B. Leuty, Atlas, of that city was elevated to most loyal grand gander and Vancouver was selected as the 1937 meeting place, the gathering to be held in August. Following the usual custom all the officers on the official staff were stepped up, Mr. Leuty, formerly grand supervisor, succeeding T. Ray Phillips, Oklahoma City, as most loyal grand gander. The real contest was for grand keeper and Ben S. McKeel, Raleigh, N. C., state agent New York Underwriters came out on top with 47 votes with D. Maury Pollard, Beaumont, Tex., Caledonian, second with 22 votes and Cleveland R. Willcoxson, Atlanta, Home of New York, next with 16 votes.

Life Insurance Out

It was definitely decided that the Blue Goose as a body would not make any contract for life insurance. This matter of group life insurance has been a controversial subject for the last few years. The grand nest officers have now taken a very definite stand in this connection.

Chairman Benallack of the life insurance committee told of the difficulties which the Blue Goose group insurance plan has encountered. Only 1,100 of the 1,760 needed members applied for the insurance plan provided by the Old Line Life of Milwaukee. The elimination of the insurance was met with great regret by many members who have become uninsurable since the plan was inaugurated due to impairment or age, he said.

This year's meeting attracted more ganders and their wives than any previous grand nest meeting with over 400 persons registered.

T. Ray Phillips, America Fore, Oklahoma City, presided as most loyal grand gander at all business sessions.

At the banquet attended by more than 500 persons, the new grand nest officers were installed by William T. Benallack, past most loyal grand gander, Detroit, vice-president Michigan Fire & Marine.

At the banquet, W. Owen Wilson, Richmond, Va., president of the National Association of Insurance Agents, urged

(CONTINUED ON PAGE 40)

Explosion in Waco Caused Great Multiplicity of Losses

ADJUSTERS HAVE A PROBLEM

Nine-story Liberty Bank Building Lacked Explosion Cover—Woolworth Store Total Loss

DALLAS, Oct. 21.—The recent explosion and fire in the Liberty Bank building at Waco are furnishing the adjusters and the insurers some perplexing problems. The building was a nine-story affair, supposed to be fire-proof and facts developed in investigations of the blast and blaze reveal it is what might properly be termed fire-proof, though from an engineering standpoint, not absolutely so.

It is possible, the investigations show, that the fire would not have spread to the upper stories had not the windows all been blown out by the explosion in the basement. This permitted, it is believed, the flames originating in the basement, to leap rapidly from floor to floor.

Liberty Building Coverage

The Liberty building itself was not covered by explosion insurance, but it was protected against fire, some 10 companies being on the risk. The damage to the building, explosion and fire, was extensive, but it has not yet been determined just what the amount will be. Adjusters fix the total explosion loss at \$100,000 and the fire damage at about \$150,000. But these losses were not confined to the bank building by any means. One of the big problems is to determine the amount of damage to the bank building by the fire which followed the explosion in the basement, caused by leaky gas pipes and a jet having been left open by the janitor the evening before the blast. When he lighted the furnace the explosion occurred and the flames spread rapidly.

The Woolworth store adjoining the bank was a total loss. This store was covered by explosion insurance, so was the stock. About 30 percent of the bank building wall between that institution and the Woolworth store was blown out by the blast and hurled into the store, wrecking fixtures and stocks.

N. J. Leader on National Executive Committee



C. STANLEY STULTS

C. Stanley Stults, who has just been appointed a member of the executive committee of the National Association of Insurance Agents, is a leading citizen of Hightstown, N. J. He was born there in 1894 and entered the agency business there in 1917. His father, Charles E. Stults and John E. Allen purchased an agency in Hightstown in 1892 that is known as the Allen & Stults Co. It is that agency with which the new member of the executive committee is connected. He has been secretary of the Citizens Building & Loan Association since 1917. He is a director of the Hightstown Trust Company. He is a member of the insurance advisory committee of the New Jersey department of banking and insurance and is past president and now a member of the executive committee of the Mercer County Insurance Agents Association. He was president of the New Jersey Association of Underwriters in 1934-35.

Fire which followed destroyed the store. The explosion also wrecked the plate glass fronts and display windows of the store as well as other glass in

(CONTINUED ON PAGE 45)

Study Blast, Fire in Waco, Tex.



Insurance people are much interested in the explosion in the nine-story Liberty Bank building in Waco, Tex., and its aftermath. A number of exposure losses occurred and various types of cover are involved.

Swadener Elected Indiana President

Retrospective Compensation Rating Plan Is Rejected—Overhead Writing Is Condemned

McCLAIN IS COMMENDED

President Zoercher Tells of Fine Cooperation—Clyde Smith and Commissioner Give Talks

NEW OFFICERS

President—Dean H. Swadener, Mishawaka.
Vice-president—J. Gilbert Martin, Scottsburg.
Treasurer—J. W. Stickney, Indianapolis.
Chairman executive committee—Ross E. Coffin, Indianapolis.

By IRVING WILLIAMS

The Indiana Association of Insurance Agents voted against adoption of the retrospective rating plan for workmen's compensation at its annual meeting in Marion.

Companies cooperating with the American agency system were commended in a resolution and companies failing to cooperate were condemned. Agents were urged to require a minimum 5 percent countersigning commission for out of state business. Companies recommending licenses for unqualified individuals, including those to countersign policies for out of state agents and brokers for only a nominal consideration, were criticized.

Approve Insurance Department

The work of the insurance department was commended in a resolution and support was pledged to the Business Development Office and a similar program was urged for the casualty business. Enactment of legislation prohibiting domestic companies from writing business in states in which they are not admitted was favored as well as measures which would prohibit Indiana residents from purchasing from non-admitted companies. Dissemination of information by the association was also urged. It was recommended that all local board memberships be co-extensive. Modification of the assigned compensation risks program to recognize the interest of the local agent carrying and servicing the risk was urged. A hearing with the workmen's compensation rating bureau on this will be asked.

A resolution was adopted expressing appreciation to J. Gilbert Martin for his services as treasurer for many years. He has been in ill health for several years.

Zoercher Tells of Cooperation

President Chris Zoercher, Tell City, expressed the appreciation of the association for the cooperation that is being manifested by the insurance companies recently for the development and protection of business. Agents and companies, he said, are working for a common end.

Commissioner H. E. McClain was then introduced by President Zoercher as a public official who "has done a good job and hasn't been inclined to take the easy way" as he might naturally be expected to prefer. He pointed out some things the insurance department has done in Commissioner McClain's administration for improving the standard of agency representation in Indiana.

Commissioner McClain declared he

(CONTINUED ON PAGE 40)

VIEWED FROM NEW YORK

By GEORGE A. WATSON

R. G. CLARKE IS HONORED

To evidence their appreciation of the services rendered by Robert G. Clarke as manager of the General Cover Association during the eight years of his administration, executives of the 11 member companies tendered him a luncheon in New York City. After A. E. Gilbert, vice-president of the Hanover, acting as master of ceremonies, and a

number of others spoke of the fine work performed for the association by the guest, Mr. Clarke was presented a fountain pen set, suitably inscribed, the presentation being made on behalf of the donors by President P. B. Sommers of the American. The General Cover Association was formed in 1929 to write general cover business exclusively, Mr. Clarke being chosen its manager. Some weeks ago he resigned to become man-

ager of the improved risks department of the Great American.

* * *

NEW YORK EXCHANGE ACTS

The New York Fire Insurance Exchange has voted to reduce rates on certain specifically rated risks to become effective as of the date of the circular in which the manager lists the risks affected.

The estimate is given that these reductions will mean a saving to assured of hundreds of thousands. Six classes are affected. In most cases the reductions are 20 percent on buildings and 10 percent on contents. Classes affected

include churches and chapels rated on the fireproof comprehensive schedule; public buildings, hospitals, asylums, jails, etc., rated on the fireproof comprehensive schedule; mercantile and office buildings, including bank and telephone exchange buildings rated on fireproof mercantile schedules; mercantile stocks, including household furniture, office, bank and telephone exchange contents, rated on fireproof mercantile schedule; food and food products plants, breweries, distilleries, ice factories, etc., rated on fireproof manufacturing schedules; hotels, clubs, boarding houses, Y. M. C. A., rated on fireproof comprehensive schedules.

* * *

MACNABB, MOUNTAIN DEPART

Hugh Macnabb, fire manager of the Eagle, Star & British Dominions and Brian Mountain, one of its directors, who have been visiting this country and Canada for the past two weeks, have sailed from New York for home.

* * *

TELLS LOSS COMMITTEE'S WORK

W. A. Riordan, metropolitan and suburban manager for the Automobile in New York, addressed a meeting of the Richmond County Association of Local Agents at St. George, Staten Island, on the work of the loss committee of the New York board, of which he is chairman.

* * *

TRAYNOR SUCCEEDS PATTERSON

Edwin W. Patterson has resigned as deputy superintendent of the New York department to resume his teaching at Columbia University. In the department he has been in charge of rewriting the insurance laws. He will continue to act as a consultant. He is succeeded in the department by John P. Traynor.

Mr. Traynor has been in charge of the liquidation of the New York Title & Mortgage Co. and has been financial officer since the company was taken over for rehabilitation in 1933.

Superintendent Pink states that Mr. Traynor will be of special help in solving the questions now pending in the rehabilitation, liquidation and reorganization of title and mortgage companies and other insurers that had been taken over. When Mr. Traynor has completed this special work, he will return to the New York Title & Mortgage Co. as deputy in charge.

* * *

REPORT ON RETAIL BUSINESS

The preliminary report of the retail business in the United States which is part of the census issued by the Bureau of Census brings out some interesting facts which shows why fire insurance premiums declined so much. For instance, in 1929 stocks on hand amounted to \$7,262,583,000 while the inventory at the end of 1933 showed the value to have dropped to \$3,903,969,040. It has only been within recent weeks that this condition has shown signs of improvement. One amazing fact is that the number of active proprietors of business was greater in 1933 than in 1929. However, since 1933 the number has shown a decrease and at the end of 1935 the number is below that of 1929. However, the number of stores increased last year and is now some 8 percent more than in 1929.

The decrease in total payrolls of full time people in the period from 1929 to 1932 was 34 percent. Since 1933 part time employment has slightly decreased and the total payroll has shown a gain of 23 percent.

Retail sales showed a 31 percent increase last year as compared with 1933. However, sales are still nearly 33½ percent lower in dollar volume than during 1929. The largest increases in sales were written in the mountain states where there was a gain of 47 percent, while the Pacific Coast states showed an increase of 39 percent.

A study of the sales figures shows that the public is spending money for essentials and replacing articles which

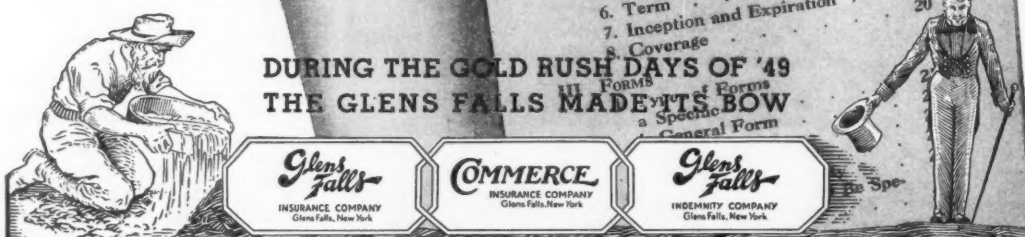
★ POLICYWRITER'S FRIEND ★

THE "Policywriter's Friend" came into existence for purely selfish reasons. It was written to assist our own agents in preparing fire policies, forms and endorsements. Its fifty-seven pages of printed matter are crowded with valuable details which not only teach the new policywriter how to pick up a fire contract and go to work but serve as references for the methods of handling the unusual things.

The many favorable comments which we have received and the enthusiastic reception which has been accorded this little booklet have made us believe that it will be of interest to every agent and policywriter whether experienced or inexperienced.

We do know that the information contained within its covers cannot be found in any one publication and that it would require years of experience to acquire similar knowledge.

We were going to keep the "Policywriter's Friend" within the Glens Falls and Commerce family circles but feeling that we have created something which will be of benefit to our profession in the furtherance of sound practices, we have decided to distribute it free of charge to those agencies requesting copies. Fill out the attached coupon and return it to us. We shall be glad to fill orders as long as the supply holds out.



**DURING THE GOLD RUSH DAYS OF '49
THE GLENS FALLS MADE ITS BOW**

GLENS FALLS INSURANCE COMPANY
COMMERCE INSURANCE COMPANY
GLENS FALLS INDEMNITY COMPANY

Date.....

Glens Falls Insurance Co., D
Commerce Insurance Co.,
Glens Falls, New York.

Without obligation on our part we should like to receive a copy of "Policywriter's Friend." The address of our local agency is:

Agency Name.....

Street.....

City.....

POLICYWRITER'S FRIEND

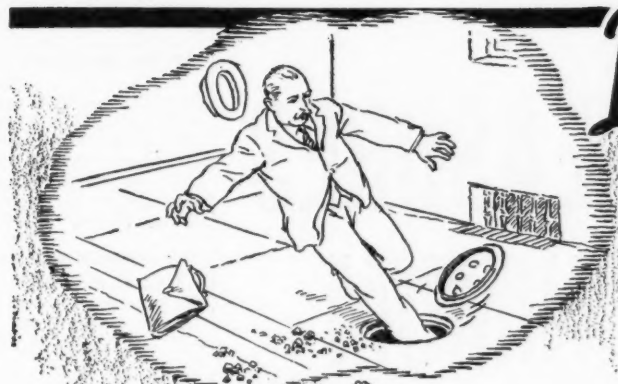
CONTENTS

I	INTRODUCTORY	7
1.	Policy	7
2.	Forms	7
3.	Endorsements	9
4.	Clauses	
II	THE POLICY	
1.	Issuing and Accounting for Policies	10
2.	Renewal Number	12
3.	Amount	12
4.	Rate and Premium	14
5.	The Insured	18
6.	Term	19
7.	Inception and Expiration	20
8.	Coverage	

PUBLIC ENEMY

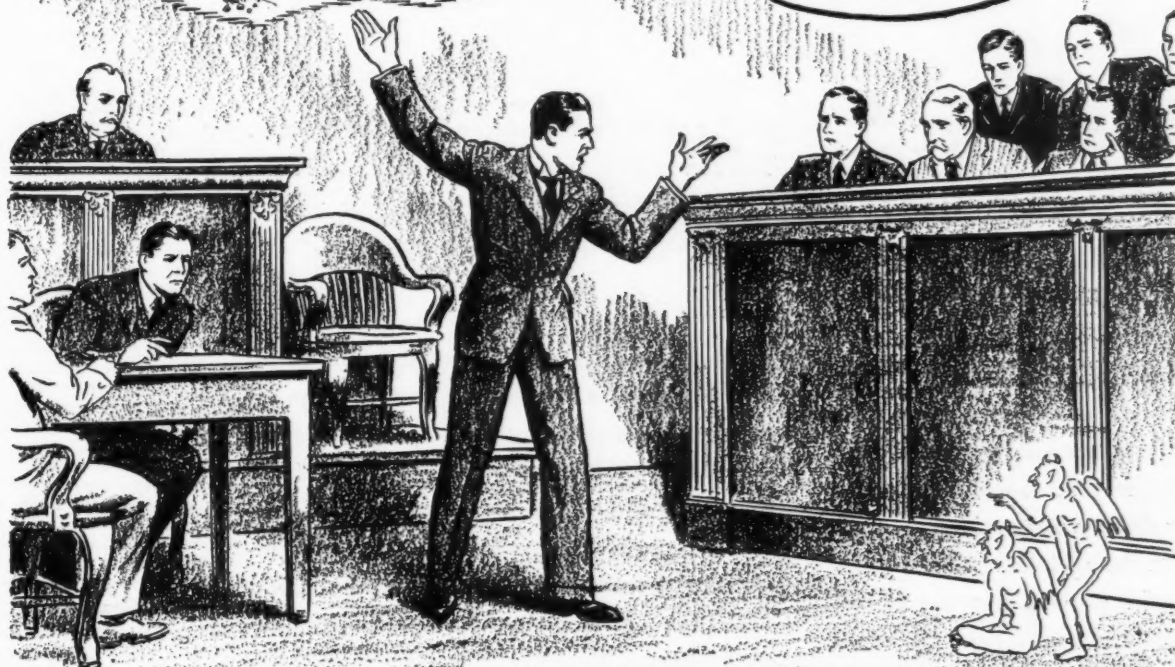
No 6

Damage Claims



COMMON ENEMIES TO GUARD AGAINST

- | | |
|-------------|------------------|
| 1 FIRE | 9 LIGHTNING |
| 2 MOTOR | 10 MARINE |
| ACCIDENT | DISASTER |
| 3 WINDSTORM | 11 RAILROAD |
| & TORNADO | WRECK |
| 4 PERSONAL | 12 FALLING |
| ACCIDENT | AIRCRAFT |
| 5 SICKNESS | 13 EXPLOSION |
| 6 DAMAGE | 14 RIOT or CIVIL |
| CLAIMS | COMMOION |
| 7 BURGLARY | 15 EARTHQUAKE |
| 8 ROBBERY | 16 FORGERY |
| | 17 DISHONESTY |



Claims for Damages, arising from alleged injuries, are a **CONSTANT MENACE**, court calendars and insurance records testify to the fact that the public is becoming ever more claim-minded. If injury to others occurs on your property, through your fault or otherwise, a **CLAIM FOR DAMAGES** is almost certain to follow, and juries are notoriously liberal with other people's money. Therefore, lest the **IMPS** of misfortune foreclose on your savings—be forearmed with **INSURANCE PROTECTION** to defend your purse and safeguard your peace of mind.

LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey—ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853
 The Mechanics Insurance Co. of Philadelphia " 1854
 Superior Fire Insurance Company " 1871
 The Metropolitan Casualty Insurance Co. of N.Y. " 1874

WESTERN DEPARTMENT

644 RUSH STREET, CHICAGO, ILLINOIS

CANADIAN DEPARTMENT

461 BAY STREET, TORONTO, CANADA

EASTERN DEPARTMENT

10 Park Place
 Newark, New Jersey

Milwaukee Mechanics' Insurance Company ORGANIZED 1852
 National-Ben Franklin Fire Insurance Co. " 1866
 The Concordia Fire Insurance Co. of Milwaukee " 1870
 Commercial Casualty Insurance Company " 1909

PACIFIC DEPARTMENT

220 BUSH STREET, SAN FRANCISCO, CAL.

SOUTH-WESTERN DEPT.

912 COMMERCE STREET, DALLAS, TEXAS

have become worn out during the depression years. The largest increase was made in the automotive group. This ran to 60 percent. Next in line came lumber, building and hardware, furniture, household and radios.

* * *

FEATHERSTONEHAUGH IS SPEAKER

An interesting and highly appreciated speaker at the fall dinner-meeting of the Eastern Loss Executives Conference in New York City was W. I. Featherstonehaugh, head office comptroller of accounts of the Commercial Union of London, who is in this country for a short period. After a general talk in

which he held that claim men the world over were concerned in seeing that losses were settled promptly and fairly, Mr. Featherstonehaugh told a number of anecdotes that convulsed his auditors with laughter. In addition to supervising the accounts of the great Commercial Union group the world over, he is honorary chairman of the London Insurance Institute, which organization served largely as a model for the formation of the Insurance Institute of America.

An additional feature of the gathering was the presentation of a paper by K. L. McCallum, assistant general adjuster

of the Travelers, on the "Divisibility of the Fire Insurance Policy," which he previously offered at the annual gathering of the American Bar Association. A. G. Whitelaw, general adjuster of the Commercial Union fleet, is president of the loss organization.

* * *

BIG FIRES IN SEPTEMBER

The New York "Journal of Commerce" lists the following fires in September estimated to have caused loss of \$100,000 or more:

Brookline, Mass., school, \$150,000; Springfield, Mass., furniture plant, \$100,000; Rochester, N. H., business

and department block, \$100,000; Brooklyn, church, \$400,000; Columbia, La., towboat, \$162,000; Newbern, N. C., church, \$100,000; Spindale, N. C., lumber plant, \$125,000; Charleston, S. C., freight terminal, \$150,000; Streator, Ill., two stores and office building, \$175,000; Sullivan, Ind., mine tippie and engine room, \$100,000; Harper, Kan., flour mill, \$150,000; Ossawatimie, Kan., railroad shop, \$250,000; York, Neb., oil plant, \$101,000; Akron, rubber, coal and ice plant, \$250,000; Youngstown, shoe store, \$100,000; Mt. Lowe, Cal., tavern and 14 cottages, \$200,000; Butte, racing plant, \$200,000; Missoula, Mont., hotel and two other buildings, \$500,000; Bandon, Ore., entire town, \$1,500,000, and Seattle, paint plant, \$110,000.

* * *

GREER MADE GENERAL ADJUSTER

W. G. Greer has been appointed general adjuster for the Fire Companies Adjustment Bureau at the head office. He has been with the bureau since 1916 and for the past 10 years has been manager at White Plains, N. Y. J. B. Jukenberry is appointed manager at White Plains.

* * *

UNEARNED PREMIUMS IN MAY

Unpaid earned premiums reported by fire companies to the Central Bureau in May amounted to \$17,262, decrease \$7,742 as compared with the same month in 1935, according to Manager Charles Stulz. There were 6,402 entries in May of this year, decrease 1,650.

Unpaid earned premiums of casualty companies were \$82,932, decrease \$4,292 and the number of entries 3,126, decrease 1,122.

* * *

ACTS ON PUBLIC ADJUSTERS

Superintendent Pink of New York has had an investigation of public adjusters made and finds that some have been running to fires, using high powered salesmanship and employing unethical practices. He states that the department is requiring all public adjusters to take a written examination and it is contemplating recommending legislation which will require the posting of a bond. The public adjusters on trial are from Queens, Bronx and Manhattan. It was found that on payment of fees they were advised by employees of the fire department as soon as a fire was reported. Superintendent Pink states that the department decided to suspend the licenses of the adjusters for six months if found guilty. If the practice is continued he intimated there will be something more than suspension of licenses.

Eye Coast and Spanish Pictures

NEW YORK, Oct. 21.—The rate now being charged for strikes and riots between ports on the Pacific Coast and all intercoastal shipping is 2½ cents. It was the competition in trade and pressure from other markets that led to the inclusion of a strike charge by marine underwriters here. Considerable interest, therefore, is being manifested in the intercoastal strike situation.

Losses due to confiscation in Spain are still a vague uncertainty. It is known that there is considerable cargo stored in a warehouse there, which was landed by the Cristobal Colon. It will probably be some time before any definite information as to the amount of losses sustained can be obtained here.

To Discuss Missouri Farm Rates

L. S. Poor, deputy commissioner of Missouri, will be in Chicago next Monday and meet with the farm managers of a number of companies to discuss the farm schedule in Missouri. He will be accompanied by P. W. Terry, manager of the Missouri Inspection Bureau. There have been no changes in the farm schedule for some years in that state and it seems desirable to bring it up to date.

Roy E. Eblen, secretary of the Phoenix of Hartford, is in the midst of an agency visit in the northwest and to Winnipeg and other Canadian points. On his way he stopped at Chicago.

PROMPT SALVAGE MEASURES KEEP LOSS AT MINIMUM

Insurance Patrol, Summoned by A. D. T., Spreads Tarpaulins on Six Floors

At 6:35 P.M. on July 16, an A. D. T. Central Station in Chicago received a waterflow alarm from the supervised sprinkler system in a large metal manufacturing plant. * Fire Department and Insurance Patrol were immediately notified, and found that a fire in a spraying booth on the seventh floor had opened three sprinkler heads.

Serious water damage was avoided through the saving fact that the sprinkler was A. D. T. Supervised. Only the prompt response of organized forces—thus automatically summoned—could have prevented disastrous consequences. The sprinkler had to be turned off as soon as it completed its work of extinguishment, and effective salvage work was necessary to avert damage from seepage of water through lower floors.

An official of the metal concern wrote to A. D. T.: "The efficiency of your action was entirely proper and, in fact, essential. The Insurance Patrol was on the job with plenty of tar-

paulins on all floors from the second to seventh. You can well imagine the amount of water coming from three sprinkler heads, but we are pleased to advise that the damage was nil."

* * *

Three cents on each one hundred dollars of insurable values is the 10-year loss average of properties protected by A. D. T. Sprinkler Supervisory and Waterflow Alarm Service! By preventing and minimizing losses, A. D. T. Protection safeguards continuity of premium income, and turns premium income into profit. These are among the important reasons why clear thinking, far-sighted insurance agents recommend A. D. T. Protection Services to their prospects and clients. Descriptive booklets will be sent on request.

A. D. T. Central Station Fire Protection Services

AERO AUTOMATIC FIRE ALARM : : SPRINKLER SUPERVISORY AND WATERFLOW ALARM SERVICE : : WATCHMAN SUPERVISORY AND MANUAL FIRE ALARM SERVICE

Central Station Offices located in all principal cities of the United States. * Name and complete details available upon request.

Controlled Companies of AMERICAN DISTRICT TELEGRAPH COMPANY • 155 Sixth Avenue, New York, N. Y.



Multiplicity of Producer Groups Bar to Conference

COMPANY PEOPLE PERPLEXED

Ray Decker, Addressing California Agents' Meeting, Recommends Consolidation of Organizations

SAN JOSE, CAL., Oct. 21.—The recommendation that companies and agents "quit selling price and get back to selling indemnity" was made by Ray Decker, coast manager of the Royal and president Pacific Board, at the annual meeting of the California Association of Insurance Agents which opened here this afternoon.

Mr. Decker made a plea for greater cooperation between companies and agents and between the individual producing groups, stressing also the need for greater loyalty on the part of companies and agents. "What we need and need badly," he said, "is more salesmanship and loyalty—loyalty to our principles, loyalty to our organizations and their members and to our organized agents."

Producer Groups Should Merge

He pointed to the necessity for consolidation of various groups of producers now in existence in the state if conference between companies and producers is to continue to be beneficial. In California, he observed, there are two approved brokers' organizations as well as the California Association of Insurance Agents and the various local boards. Conference demands on the part of all of these bodies on all vital changes, he said, could only slow the pace of progress. Some plan must be worked out to consolidate the various groups in order that a conference once held and a conclusion reached, would be satisfactory to all, he asserted.

"The expense of virtually all facilities provided gratis to the public is borne almost exclusively by organization companies," Mr. Decker observed.

"Admittedly," he said, "there are too many companies and competition is not only keen but sometimes ruthless; we will no doubt have it for some time to come; a little of it is probably a good thing, it keeps us alert and attentive to our problems."

Incompetent Agency Problem

Mr. Decker said there are too many agents who perform no service and who receive commissions which should be benefiting those who are capable and a credit to the business.

"In California," he said, "the qualification laws have failed to cure the improper agency evil, and this condition is one with which I feel sure many of the board members have considerable sympathy. A solution is not at hand and some way must be found to prevent such appointments by non-organization carriers before the companies, subject to rules and regulations, can assist you in solving these problems."

He pointed to the activities of reciprocals and mutuals soliciting directly through salaried men as a "definite challenge to the American agency system." "Certainly," he said, "no better indication can be given you of the need of proper loyalty between organized companies and organized producers. Standing shoulder to shoulder in the battle line we have little to fear, but with a division of production with free lance carriers, along 'the line of least resistance' manner, it presents problems which will within a reasonable time become a serious challenge to the company as well as producer organizations."

Mr. Decker said that when the principles of overhead-writing regulations were raised and generally accepted about 40 years ago, they may have been proper for conditions then existing, but that "it does seem that most of the excuse for overhead-writing commission

has, in recent years, been eliminated." He said he was not referring to business outside of the agent's own state, where countersignature has become necessary. "Today," he declared, "the agent producing the business provides a service in his home city and at outside towns located in his own state without undue expense or waste of time, and when limited to such locations it seems to me there is little reasonable excuse for overhead-writing commission demands. So far as organization companies are concerned it is today seriously handicapping those who are loyal to the obligations to which they are committed while those companies which are inclined to disregard their obligations benefit at the loyal companies' expense and with little advantage, I fear, to their own agents. It would, therefore, seem that understanding between companies and agents could very properly undergo some modification."

E. C. Fox of Cravens, Dargan & Fox, president California Association of Insurance General Agents, brought greetings to the meeting.

A record attendance, estimated at more than 600 are on hand for the convention. William P. Welsh, president, wielded the gavel. Representatives of the host city and the various company

and producer organizations of the state extended their greetings.

Those on the platform included W. Owen Wilson, president of the National Association of Insurance Agents; F. S. Dauwalter, director of Business Development Office; Ray Decker, president of the Pacific Board; E. C. Fox, president of the California Association of Insurance General Agents; Geo. Kemper, secretary Casualty Association of California; Karl L. Brackett, president California State Association of Life Underwriters; James M. Hamill, past-president San Francisco Life Underwriters Association, and Hugo Meyer, secretary Insurance Brokers Exchange



Courtesy of the Lincoln National Life Insurance Company.

A political race

LINCOLN RUNNING FOR PRESIDENT! This was in 1860—just five years before Millers National's charter was granted by a special act of the Illinois Legislature.

Many presidential campaign battles have been waged since 1865. Wars have been fought and recurring depressions have upset steady economic progress. Business has passed through many critical periods in the past three-quarters of a century. A company having gone through these decades with unfailing service and steady growth may truly be regarded as time tested.

Such a company is the Millers National. It has not only stood the test of time but is today one of the strongest fire insurance companies in business. This surely is a commendation to its management through these years. Agents can point with pride to the history and the present position of this progressive and truly American company.

1865 1936

MILLERS NATIONAL
INSURANCE COMPANY • CHICAGO

Seventy-one Years of Service

"Protect Your Furs"

is the good advice in Alliance national advertising for October. It details some of the common risks against which the owner of fine furs may protect herself if she will wisely "Ask The Alliance Agent."

THE ALLIANCE INSURANCE CO. of PHILADELPHIA



Head Office: 1600 Arch St., Philadelphia
Chicago Office: 209 West Jackson Boulevard
San Francisco Office: 231 Sansome Street

of San Francisco. About 20 other representatives of Mr. Meyer's organization are attending. This completes a gathering of the various forces interested in bringing about improvements in California's agency qualification laws.

Following the address of welcome by C. B. Goodwin, city manager of San Jose, and greetings from the San Jose Association of Insurance Agents by A. E. Shepperd, president, greetings were extended on behalf of the general agents by E. C. Fox. Due to the enforced absence of J. R. McKinney, vice-president Casualty Association of California, his address was presented by Geo. Kemper, secretary. Ray Decker then gave his address.

Mr. Brackett made a brief address in which he referred to the "community of interest" between life insurance agents and members of the California Association of Insurance Agents, in raising the standards of the representatives in the field.

Life Insurance Field Problem

Following response to the greetings by G. C. Appleton, vice-president of the association, James M. Hamill, speaking on "Fewer and Better Agents or Elimination of the Unfit," launched into a forceful address in which he referred to the present agency situation as "vicious, destructive and cancerous." Pointing out that "as a life insurance man who has always restricted himself to the writing of life insurance and who doesn't attempt to pay his milk bill or gas bill by picking up a couple of fire or casualty policies a month" he was unfamiliar with the language of the fire and casualty business, Mr. Hamill asked a number of questions which might apply to either the fire, casualty or life field. Why, he asked, does the public resent the "intrusion" of the insurance salesman? Why is it necessary for the agent to overcome resentment towards the insurance man? Why is it that "although insurance is the best sold idea in this country, its actual sale in a good share of cases, is the most poorly handled transaction in the country?"

The trouble, he said, is the indiscriminate appointment of agents and unnecessary appointment of part-timers. Mr. Hamill referred to the article "Psychology and Waste in Selling Life Insurance" by H. C. Link, secretary Psychological Corporation, stating that the greatest cost of life insurance is the time and energy spent in getting rid of poorly equipped salesmen, and that the selling of life insurance is one of the most wasteful businesses. It wastes the energies of its good salesmen by allowing its majority of poor salesmen to build up a resistance to insurance among good prospects.

Crusade Is Described

Mr. Hamill then told of the great movement in life insurance to eliminate part timers in the urban centers, eliminate the obviously unfit, and to foster careful selection in the future.

More than 10,000 agents have been eliminated by cooperating companies.

"If this problem," he declared, "does exist in the fire and casualty field, it is only going to be met through the initiative and courage of the field men themselves. It isn't that all agency heads and company men are opposed to this thinking but simply that most of them have other problems which seemingly are more important to them for the moment than the bettering of your particular position. Possibly, too, a few of them may have succumbed to the disease of voluntarism that ran rampant amongst the best part of the insurance world in the late twenties, volume with little concern as to quality or consistency. Yet they know that any plan that will improve the type of agent will automatically help companies in all phases. It will lessen claim difficulties, better persistence of business; reduce lapsation, replacement will be minimized, agency turnover will decrease, cost of distribution will grad-

ually decline and the flow of quality business will be increased."

Together field and home office can do a pretty good, immediate, and constantly improving job of bettering this situation, he declared.

Man Power Standards

"Let us," he implored, "not only raise our selling technique to greater heights comparable to the security of the contracts we sell, but let us also raise our man power standards still higher to the point of public acceptance and approval."

Greetings were received from H. B. Haas of the California department and Commissioner Smith of Utah.

Although the total membership of the association suffered a net loss of 11 during the year it continued to maintain its position as the largest in the United States, according to the report of the administration that was presented by Mr. Welsh. As of Sept. 1, 1935 membership was 1,141 whereas on Sept. 1 this year it was 1,130.

The report appeals for greater cooperation with those companies which cooperate with the association in agency matters and suggests: "Let us forget the company that is offside."

Veterans Welfare Board

The insurance plan of the Veterans' Welfare Board, which has for many years been a bone of contention, the report asserted, has been alleviated in a large measure during the year. The officers are not thoroughly satisfied with the present method but it is held to be a step in the right direction. "Any insurance program," the report states, "by which the producer does not render service commensurate with the commission received only breeds trouble both for himself and the insurance structure. It is recommended that the incoming administration carry on in an attempt to place this insurance on a basis of equity to assured, companies and producers."

The report emphasizes the necessity for further activity in traffic safety, pointing out that growing sentiment for compulsory insurance threatens the business of every producer.

Constructive action must be taken by insurance.

The officers urged improvements in the agency qualification law and said the department "should not be fettered through lack of adequate funds in administering this and other laws." In discussing commissions the report says:

"The commission situation is complicated further by the growing practice of reduction of producers' commissions linked with the adoption of new forms of coverage. The same may be said of reduction of commission income through the reduction in rates."

"The matter of qualification of agents still remains the most serious problem," the report avers. "The qualification law has given some help, but in its present form cannot be expected to control the situation entirely. Local associations have initiated their own campaigns and while some progress has been reported from a few localities, viewing the problem as a whole, little progress has been made. We must develop one unified plan to which all local units can and will subscribe," the report stated.

"This can only be accomplished through the development of a definite qualification which must be fair to both company and agent and subscribed to by all local associations as the guiding principle of our business. All companies—board and non-board, fire and casualty, can then be invited to subscribe to this qualification. And we can then lend our cooperation and support to those companies so qualified."

During the evening, delegates were entertained at a stag smoker which followed the annual past presidents' dinner.

G. C. "Cleve" Appleton, now vice-president, is slated to succeed William P. Welsh as president.

NEWS OF FIELD MEN

Plangman Goes to Arkansas

American Transfers Northern Ohio Special Agent to Southwest—Succeeds Bird as State Agent There

Walter Plangman, formerly special agent in northern Ohio for the American of Newark, has been transferred to Arkansas, to cover the entire state, replacing Robert C. Bird, who has resigned to join the general agency of Coates & Raines as assistant general agent in Arkansas.

Mr. Plangman has been in the field service of the American for the past twelve years, the first four of which were in Texas, his native state, and the last eight in Ohio. He will make his headquarters in the Worthen Bank building, Little Rock.

The vacancy thus caused in the Ohio territory has been filled and announcement of Mr. Plangman's successor will be made shortly.

Indiana Gets Membership Cup

C. W. Watkins and D. L. Jones, delegates to the grand nest meeting, presented to the Indiana Blue Goose Saturday the membership cup of the grand nest, the custody of which is awarded each year to the pond making the largest percentage of increase in membership. Mr. Jones reported on the meeting. F. D. Payne of the membership committee reported that 13 applications for membership received and a number of reinstatements. A. W. Schumadeke, chairman of the entertainment committee, reported that an initiation will be held Nov. 16 and a Christmas party Dec. 19. The Indiana pond is rounding out its 30th anniversary this fall and its membership is now at the highest point in its history.

Columbus, O., Is Inspected

Ninety members of the Fire Prevention Association of Ohio took part in the inspection of Columbus. H. R. Underwood and R. S. Tidrick were in charge.

Speakers included R. E. Vernor, J. W. Just and H. K. Rogers, Western Actuarial Bureau, Chicago; H. L. Sain, Ohio Industrial Commission; A. C. Guy, Columbus manager Western Adjustment; R. B. Criswell, Ohio Inspection Bureau, and W. S. Bucklew, chief of the Upper Arlington fire department.

Colorado Hallowe'en Party

DENVER, Oct. 21.—The entertainment committee of the Colorado Blue Goose promises an entertaining time for members attending the Hallowe'en party at Colorado Springs, Oct. 31. The entertainment is for members and their wives. Golf will be a part of the day's activity, and bridge for the ladies and non-golfers. There will be a dinner dance.

Dufour to Kentucky Field

W. J. Dufour has been transferred by the Liverpool & London & Globe from its New York office to Louisville, as special agent under Wallace Smith, Kentucky state agent. Mr. Dufour started with L. & L. & G. southern department in New Orleans and went to New York in 1927 when that department was transferred there. He had been an underwriter until about six months ago, when he went with the special service department.

Royal's Coast Field Changes

Tom E. Atherstone, Royal special agent for Utah and southern Idaho, has reached the age of 65 and is retiring. He is succeeded by L. G. McGinn, formerly special agent in southern California.

That vacancy, in turn, is filled by E. B. Marston, who has been in the Pacific Coast department of the Royal.

Mr. Marston will have his headquarters at the southern California office of the Royal-Liverpool group, 224 Van Nuys building, Los Angeles.

Frankum Enters Field Work

James W. Frankum, who has been throughout his insurance career with the Scottish Union & National, with which his father also was identified, has been appointed special agent for that company and the American Union for Maine and New Hampshire, with headquarters in Portland, Me. The past ten years he has been the Scottish Union's examiner for New England, located at the Hartford office.

America Fore Coast Changes

George McGaffigan, for the past eight years special agent of the America Fore group in the Pacific Northwest, with headquarters in Spokane, has been transferred to the Pacific Coast

head offices in San Francisco, where he will have charge of the extensive development of the inland marine and special risks department, now being planned.

Ernest M. Leonard, who has been with the Spokane office of the group for the past ten years, has been appointed to succeed Mr. McGaffigan as special agent, and will continue his headquarters at 708 Mohawk building, Spokane, Wash.

Stringer with Norwich Union

Harry A. Marsh has resigned as special agent for the Norwich Union Fire for eastern Pennsylvania, eastern Maryland and southern New Jersey. He is succeeded by Richard Stringer, heretofore special agent for the National Union for Philadelphia and suburban.

Michigan F. U. A. Meets

Current problems were discussed at the October meeting of the Michigan Fire Underwriters Association in Detroit, with 80 field men present and G. R. Pritchett, American of Newark, presiding.

Recognizing the effective work done for the association by W. H. Gabriel, past president who recently retired as state agent of the National of Hartford,

he was made an honorary life member. New members admitted were E. H. Pratt and H. G. Tyler, Travelers Fire; E. J. Klima, Hanover and H. E. Tugge, Caledonian.

N. J. Field Club Dinner

NEWARK, Oct. 21.—The New Jersey Field Club of which Fred H. Morasch, Fireman's Fund, is president, will hold a dinner meeting here Monday. Following the dinner, two moving pictures will be shown.

Special Meeting in Kentucky

The Kentucky Fire Underwriters Association has called a special meeting on request of the Business Development Office committee, James W. Bethel chairman, for Oct. 26. The annual meeting and election is scheduled for Nov. 24. The Kentucky Blue Goose is putting on a membership drive and is planning a dinner dance Nov. 24.

Illinois Blue Goose Banquet

An unusually large attendance is expected at the banquet and entertainment at the Knickerbocker Hotel, Chicago, Nov. 2, launching the season for the Illinois Blue Goose. James E. Guy, automobile superintendent of the America Fore, who is head of the entertain-

SELLING SECURITY

vs. Peddling Policies

Put yourself in the buyer's place. How would *you* feel if you were approached one day to buy one kind of protection; the next day a different solicitor, urging some other kind; still another agent the third day, recommending something else (possibly something for which you could not have need); and on the fourth day a 'cold canvasser' rings your bell and asks "Do you need any Insurance today?"

But if someone approached you with the idea of settling your entire Insurance Problem *once and for all*, you would welcome *him* with open arms! Why not treat your prospects as you would be treated?

We have created special forms for simplifying the 'programming' of both residence and mercantile property. Also a letter for interesting the prospect in advance. Drop us a line and ask us to show them to you.

THE AMERICAN GROUP, NEWARK

Fire Companies

THE AMERICAN

THE COLUMBIA

THE DIXIE

ment committee, after weeks of research, has booked what he regards as the last word in entertainers and he is staking his reputation as a critic of these matters on this particular show.

Fire Prevention Meetings

The Minnesota Fire Prevention Association will inspect Stillwater, Oct. 29. The Kentucky Association will inspect Hazard, Nov. 5. The Kansas Association will inspect Estherville, Nov. 4. J. W. Just, engineer Western Actuarial Bureau, will make the address.

Dinner for D. O. Stine

MILWAUKEE, Oct. 21.—D. O. Stine of Reedsburg, veteran Wisconsin state agent for the St. Paul F. & M., who is now retiring from active service, will be guest of honor at a function in Milwaukee the evening of Nov. 2 given by the field men of Wisconsin. This will be a farewell dinner.

ILLINOIS FIELD MEETING

At the quarterly meeting of the Illinois Fire Underwriters Association held in Chicago Tuesday, the new president, James T. Coen of Olney, special agent of the Home, presided. There were 87 members present. There was consider-

able discussion over the balance situation and it was found to be improved.

New members elected were H. A. Stevens, American; H. A. Hamilton, Employers Fire; S. S. Seseth, Commerce; R. J. Harmon, H. A. Clegg, O. S. Peterson and W. A. McNeill, Home of New York.

Doremus in Boston Address

F. W. Doremus, secretary of the American, after addressing the meeting of the Massachusetts Association of Insurance Agents at Springfield Friday of this week, will go to Boston the next day to deliver a talk before the meeting of the Bay State Field Club.

Montana Blue Goose Rally

The semi-annual meeting of the Montana Blue Goose will be held at the Rainbow Hotel, Great Falls, Mont., Nov. 7. The Montana Special Agents Association will hold its first fall meeting Nov. 6. E. F. Sullivan is most loyal gander of the Blue Goose.

Hear Talk on Mexico

William McWood, San Francisco attorney, who has just completed an important mission in Mexico City, addressed the San Francisco Blue Goose

on "Mexico Today." Arnold Hodgkinson, general manager National Automobile Club, presided.

S. B. Hughes Has Resigned

S. B. Hughes, Mississippi special agent for Crum & Forster, Jackson,

Miss., has resigned and moved to Dallas. His future plans have not been announced.

M. D. Garlington, Kentucky state agent of the Glens Falls, has brought in Leslie Shively, formerly with the Retail Credit Men's Association, as office assistant, and plans to train him for future field work in Kentucky.

NEWS OF THE COMPANIES

Pearl Examination Results

Ohio-N. Y. Report Quiz of Operations of Spectacular British Company for Last 3½ Years

A report of an examination of the Pearl by the New York and Ohio departments has now been released. The examination covers the period June 30, 1932, up to Dec. 31, 1935.

As of Dec. 31, 1935, total assets were \$13,352,129. Premium reserve was \$7,492,531 and surplus to policyholders \$3,842,943. During the period covered by the examination the Pearl had a loss from operations of \$2,034,192 but due to a gain in remittances to and from the home office of \$5,082,176 there was a gain in surplus of \$2,847,984.

Total premiums written in 1935 amounted to \$7,379,808. Total income was \$10,447,705. Net losses paid were \$2,498,577.

During the 3½ years, premiums earned were \$12,009,469, losses incurred \$5,669,597, loss ratio 47.21 per cent. The expense ratio on an incurred and earned basis was 71.53 per cent. Underwriting loss was \$2,539,117 or 21.14 per cent.

Reinsurance Arrangements

The examiners observed that the abnormal ratios of expenses incurred to premiums earned is due to the phenomenal increase in written premiums. They state that in the case of the Pearl, a more accurate picture is given by comparing expenses paid to premiums written. On that basis the ratio was 43.67 per cent. Seventy-five per cent of the Pearl's business is agency and 25 per cent brokerage.

The Monarch and Eureka Security cede 100 per cent of their business to the Pearl. The latter in turn on motor vehicle and inland marine, retrocedes a quota share of the combined writings on the basis of 25 per cent to Monarch and 25 per cent to Eureka-Security.

The combined fire and allied lines of the three companies are retroceded by the Pearl on the basis of 12½ per cent each to the Monarch and Eureka-Security and 1⅓ per cent each to Jupiter General and Switzerland General. The retention of the Pearl is about 71⅓ per cent.

The Pearl cedes to London Lloyds and other foreign reinsurers 46⅓ per cent of the 100 per cent combined writings of the fleet. Thus the Pearl retains only 25 per cent of the combined writings.

G. C. Stevens and S. B. Hopps, the U. S. general agents, are compensated at a fixed rate of over writing commissions, based on gross premiums collected, plus a contingent commission on net underwriting profit.

Give Examination Report of the Millers National

Total assets of the Millers National as of Dec. 31, 1935, were \$6,122,593 and surplus to policyholders \$2,554,518, according to the report of an examination by the Illinois department. The report states that the Millers National has a sound cash position with the current market value of government bonds together with cash in bank aggregating \$2,247,602. The loss and expense ratios have been favorable over a period of years, which the examiners attribute

largely to a careful selection of risks. All claims are paid promptly.

The bulk of the Millers National business is written on the stock plan. Mutual policies are issued to cover risks on mill, elevator and grain warehouse properties and contents on the six months advance premium basis, the contingent liability being limited to an amount not exceeding twice the amount of the semi-annual premium in any one year. Participating plan policies are also issued on the general business received through the mill mutual companies group.

Total income in 1935 was \$3,384,276 and total disbursements \$2,893,678. Millers National has a permanent fund of \$1,000,000 which is comparable to capital.

Net premiums written in 1935 were \$3,156,348 compared with \$2,676,248 in 1934 and \$2,662,658 in 1933.

In the three year period ending Dec. 31, 1935, there was a net gain in surplus of \$199,992.

Fisher With State Farm Fire

BLOOMINGTON, ILL., Oct. 21.—President G. J. Mecherle of the State Farm insurance group announces the appointment of B. L. Fisher of the Minnesota Implement Mutual Fire of Owatonna, Minn., as assistant manager to Fred C. Snapp, vice-president and manager of the State Farm Fire. Mr. Fisher has had many years experience in the fire insurance field. He entered the employ of the Minnesota company Sept. 1, 1919. After working for six years as an accountant, he then entered the underwriting department and later became chief examiner and office manager. He held this position until Jan. 1, 1935, when he became the manager of the reinsurance department.

C. J. Ingersoll Lumbermen's Director

C. J. Ingersoll, president of the Muskegon Company, has been elected a director of the Lumbermen's and Philadelphia National.

Hail Body Meets Nov. 10

The advisory committee of the Western Hail Association will have its annual meeting Nov. 10 in the offices of the Western Underwriters Association, Chicago. This is the open forum of the hail business. Anyone is privileged to present recommendations at that time either personally or by mail. These recommendations are pondered by the committee and the ones to be submitted to the executive committee are selected.

The annual meeting of the executive committee is to be held the morning of Dec. 1 and that afternoon will be conducted the annual meeting of the association itself. J. B. Cullison, head of the Rain & Hail Bureau, is chairman of the advisory committee, the other members being: Jacob Nelson, America Fore; F. H. Cornell, Home; T. G. Dahl, Great American; F. M. Gund, Crum & Forster; L. G. Warder, Hartford; and Glenn L. Cavanaugh, Omaha, Harmonia.

Hale Represents Cleveland Board

Clayton Hale of the Hale & Hale Co., is attending the Ohio Chamber of Commerce meeting at Columbus as representative of the Insurance Board of Cleveland.



FIRE ASSOCIATION OF PHILADELPHIA

ESTABLISHED 1817

LUMBERMEN'S INSURANCE COMPANY

ESTABLISHED 1873

THE RELIANCE INSURANCE COMPANY

ESTABLISHED 1841

PHILADELPHIA NATIONAL INSURANCE COMPANY

ESTABLISHED 1928

OTHO E. LANE, President

HEAD OFFICES

Fourth and Walnut Streets
Philadelphia

DEPARTMENTAL OFFICES

Chicago Atlanta San Francisco Dallas
Toronto New York

FIRE, MARINE AND AUTOMOBILE INSURANCE

Service Offices or General Agencies in all Principal Cities

Politico-Insurance Scheme in Illinois Is Challenged

GOVERNOR IS CRITICISED

Republican Candidate Brooks Tells Insurance Meeting Coercion in Placing Is Rampant

C. Wayland Brooks, Republican candidate for governor of Illinois, fired some hot shots at Henry Horner, the present Democratic incumbent, in his speech in Chicago before the Republican Insurance Committee of Illinois. He charged the present state administrators with being involved in a "shocking scandal" as a result of "forcing" the purchase of insurance on state contracts through favored Horner henchmen. Referring to Governor Horner, he said among other things:

"Does he still plead ignorance of the knowledge that state contractors, road builders, filling station operators and all like business men are forced to buy bonds and insurance through one or two certain individuals? Is he aware that you men are denied the right to furnish to your clients insurance on state contracts they obtain?"

Challenges Governor

"Governor Horner is speaking at an insurance meeting here in Chicago next Thursday. Let him inform these men whether he knows that his personal, political henchmen have for three and one-half years forced state contractors to take insurance from them."

"If he has not learned this, he is the only man in Springfield who lacks this knowledge. Everyone knows who must be 'seen' on insurance. We shall gladly furnish Governor Horner the names and addresses of his spoilsmen who are forcing state contractors to place insurance with them."

"You men in the insurance business well doubt the sincerity of anyone who boasts of the insurance regulations he has passed, when he has forced your clients to give your rightful business to Horner henchmen. Details of administering the department of insurance bring no consolation to men who have lost thousands of dollars through the political coercion of insurance."

Charges Spoils System

"The present administration has brought spoils politics to a new record in Illinois. Your state wide movement marshaling insurance agents and brokers regardless of party affiliation, under the slogan, 'To remove political influence from the insurance business,' is an answer to the challenge of the present administration. When I am elected governor of Illinois I will do all in my power to end political interference with

(CONTINUED ON PAGE 24-C)

Agent of Eagle, Star Is Accorded High Honor

NEW YORK, Oct. 21.—As the first agent appointed by the Eagle, Star & British Dominions of London on its entry into this country in 1916, A. M. Waldron of Philadelphia was tendered a testimonial dinner by executives of the United States branch here. As further evidence of the esteem in which Mr. Waldron is held personally and in recognition of the cordial relationship that has existed during the past 20 years, the guest was presented a handsome desk set. In addition to the United States officials, the gathering was attended by Brian E. S. Mountain, assistant general manager, and Hugh Macnabb, fire manager of the head office, both of whom have been visiting in this country and Canada for several weeks. They left for home last Saturday.

A. V. Gruhn Gives Mutuals' Reply to Day's "Propaganda"

MAKES CLEVELAND ADDRESS

Cooperative Insurers Take No Position in Controversy Surrounding Consumer and Producer Cooperatives

CLEVELAND, Oct. 21.—A. V. Gruhn, general manager American Mutual Alliance, addressing a special dinner meeting of the Mutual Insurance Association championed the mutual system and struck at some of the stock company "propaganda."

Attempts, he said, are made to prove that mutual companies are unsound because they are opposed to the profit motive. He ridiculed the charge mutuals are not empowered to write the non-assessable policy. Such policies have been written by mutuals for 100 years, he said. The mutual, like the stock company, is a corporation with the powers to make contracts and, unless states specifically speak of the type of policies they may write, it is up to the company's directors.

In 1863 the U. S. Supreme Court upheld the verdict of the New York supreme court that the non-assessable policy is not a violation of a mutual charter. Since then the issue has been brought up in many states and not one made a contrary decision. Even the receiver, he declared, in the case of an insolvency, has no right to change the terms of existing contracts.

Surplus Is the Test

He contended that a non-assessable policy in a mutual is just as safe as one in a stock company that has the same surplus to policyholders. A mutual company, he said, that has built a substantial surplus has done it out of pure underwriting ability. They have a reserve to take care of unusual losses without touching contingent liabilities.

"What is the difference," he asked, "whether you call it a capital stock dollar or a surplus dollar?"

Mr. Gruhn discussed the controversial "mortality" list matter, of course coming to the conclusion mutual burials have been less numerous than those of stock companies.

Mr. Gruhn said stock companies (CONTINUED ON PAGE 24-C)

Revival of the Northwest Body Strongly Urged

Positive sentiment in favor of reviving the Fire Underwriters Association of the Northwest as a great forum of the fire insurance business in the middle western field developed at the annual dinner meeting of the Life Members Society of the Northwest body in Chicago Tuesday evening. The idea of revival was strongly championed by R. E. Vernor, Western; Actuarial Bureau; Charles F. Thomas, manager Western Underwriters Association; C. M. Cartwright, National Underwriter; R. I. Read, Crum & Forster, and others.

The new president of the Life Members Society, W. R. Townley of the Underwriters Salvage Company of Chicago, announced that his administration would work in behalf of revival. John F. Stafford of Babson Park, Fla., retired western manager of the Sun and perpetual president of the Fire Underwriters Association of the Northwest, said he agreed that the organization should be revived, but he expressed the belief it would be impossible to induce company managers to permit their field men to go to Chicago for the annual meeting.

Ely First Vice-President

W. L. Ely, Monroe City, Mo., retired state agent for the North America, is the new first vice-president of the Life Members group. W. H. Lininger, vice-president and western manager Springfield, is second vice-president; secretary, W. J. Sonnen, St. Paul, and honorary secretary, Holger de Roode.

In advocating resumption of the organization, Mr. Vernor declared that the Northwest association meetings caused insurance to live as a human institution; took it out of the office and off paper. It was an occasion for rising above competitive strife and it was a morale builder, especially for the younger field men.

Mr. Thomas asserted that the Northwest association was the only body that was an open forum in the insurance business. It was discontinued, he de-

(CONTINUED ON PAGE 24-C)

Sheffe Gives Address Before Tennessee Agents' Meeting

TALKS ABOUT COMPETITION

Offers Some Suggestions to Association People About Dealing With Cut Rate Propositions

C. D. Sheffe of New York City, assistant manager of the London Assurance group, addressed the Tennessee local agents at their annual convention in Nashville this week. He said that stock companies through the rating bureaus are constantly reducing their rates in all sections but they have no right to jeopardize their resources by arbitrary rate reductions merely to meet the competition of outsiders. Mr. Sheffe feels that insurance men have been more fortunate in the past than merchants and manufacturers because the latter have been confronted with the severest kind of competition. The depression, however, has brought keener competition in insurance largely because of price. Non-stock companies offer their insurance at a lower price and the agent therefore must be sufficiently versatile and diligent to convince his customers of the superiority of stock company service.

Should Sell Quality Goods

Mr. Sheffe contends that stock company agents must sell quality and therefore he does not see how they can represent two classes of companies.

Cut rate competition, the speaker declared, is not confined to mutuals. There are stock companies that cut rates, some hoping to establish themselves in a short time by getting a large business and others desiring to increase their volume through this method. Mr. Sheffe declared that history shows that during a period of low loss ratios when companies begin to deviate from rates, they face insolvency or must retreat in due season. The margin of profit for any company writing a general line of business is small and therefore rate cutting is precarious. Mr. Sheffe asserted that the principal argument against this form of competition is the comparison of established business charging a price based upon long time experience versus the indemnity offered by those that cut rates hoping to get by without courting disaster.

Must Offer Full Service

The speaker said that a business which does not give its customers the full benefit of improved methods or lower operating costs is not rendering proper service. He asserted that competition is so keen today that agents must give every possible minute they can afford to the selling end. Too many waste valuable hours on collections and other details. Mr. Sheffe urged agents not to grant long credit but to get premiums paid promptly. You will say perhaps, "If I don't extend credit, somebody else will," but be that as it may, the problem of collections is largely one for the individual agent. If he is determined not to be a banker or finance company, he can put his collections on a sound basis and free himself for the more important details of agency work.

"The successful agent," he said, "is not an order-taker; he must be a salesman. To be a successful salesman he has to know his wares. It is essential first of all that he be convinced of their value, then he must put forth enough effort to persuade his customers that what he has to sell is valuable and necessary. The time has passed when an agent can expect his premiums to increase by a process of acceleration. The law of unearned increment no longer applies, if it ever did, to the insurance agency business."

Ballard Resigns New India

Sumner Ballard of New York City has resigned as United States manager of the New India of Bombay.

Life Members Heads—New and Old



W. R. TOWNLEY

W. R. Townley of the Underwriters Salvage Company of Chicago was elected president of the Life Members Society of the Fire Underwriters Association of the Northwest at the annual



WALTER C. LEACH

dinner meeting in Chicago Tuesday evening. Walter C. Leach, president of the Minneapolis F. & M., the retiring president, was the presiding officer at the gathering.

AS SEEN FROM CHICAGO

NEW CHICAGO BOARD DIRECTORS

Three new directors of the Chicago Board have been elected. They are A. C. Youngberg, Youngberg, Carlson Company; Lester Kornblith, Eliel & Loeb, and W. K. Maxwell, Hanover.

F. A. Cramsie, Cramsie, Laadt & Co., was appointed chairman of the membership committee. The other members are T. J. Byrne, Jr., Byrne, Byrne & Hahn, and A. J. Kuelzow, R. W. Hosmer & Co.

USING THE CREDIT REPORTER

More complete disclosure of all information available to the examiner when he requests a credit report was urged by Norman Burke of Atlanta, special representative in charge of insurance company contacts, Retail Credit Co., in his talk before the Association of Fire Insurance Examiners of Chicago. Speaking on how an examiner can use credit reports to best advantage, Mr. Burke, formerly supervisor of the southern department, Northern of London, and previously a field man for other companies, pointed out that the most suspicious cases are usually the most difficult to report accurately. A good lead from the examiner, particularly the reason why a credit report is ordered in the particular case in question, will often enable the investigator for a reporting company to start on the right line and uncover the facts, even though the subject of the investigation has so completely covered his tracks that otherwise the investigator can get nowhere. Another point emphasized by Mr. Burke is that a credit company cannot be an underwriter. It may report that the person involved is of good reputation, apparently perfectly satisfactory, but the report may reveal items which an examiner can detect as indicating a risk should be rejected or watched carefully.

Reports also can be used to get more business. Frequently they will reveal under-insurance and need for other coverages. At other times they show a person's wealth, outside interests, etc. If the examiner takes the trouble to let the special agent in that territory know this report, he frequently can cooperate with the agent and obtain additional lines.

A note of caution was sounded by Mr. Burke as regards the "lowly endorsement." More suspicious losses, he maintained, have come from cases where the original assured was perfectly satisfactory, but sold and transferred the insurance to another, than from losses involving the original assured. Every assignment, he declared, should be scrutinized as closely as the original policy.

APPROVE THE WESTERN FORM

The agreed amount use and occupancy form approved recently for Western Underwriters Association territory this week was approved by the Chicago Board for use in its territory, Manager J. A. Glidden announced. The identical plans and rates are used as in western territory, the rate being 5 percent higher than the regular coinsurance rate when the agreed amount clause is used. The board will hold its quarterly meeting Thursday afternoon in the board auditorium. Memorials will be read to the late W. J. Foster and W. H. Rockwood. The patrol committee met this week, there being some discussion of the enclosed patrol truck which is under construction and will be put in service in about three weeks. This is a piece of apparatus which besides having considerable space for covers and other patrol equipment is arranged to protect the patrolmen in severe weather, when, especially on re-

turning wet from fires they are exposed to icy blasts. The enclosure also provides safety from accidents and protects equipment from the weather. This will be the first installation of the kind in Chicago, although Detroit and Boston have a number of similar pieces of apparatus, not only in patrol but the general department work, and the idea has been employed in England for many years.

A call was issued by Manager Glidden of the board to members and employees to attend a series of meetings to be held in the auditorium at dates to be announced later, the purpose being to discuss the recent changes in rules of practice. Manager Glidden and Assistant Manager R. A. Parker will comment on the changes and interpret them.

DR. DINGMAN IS CHAIRMAN

Dr. H. W. Dingman, vice-president and medical director of the Continental Assurance and Continental Casualty, is chairman of the "Chicago Community Fund" insurance division. He has divided the work into three parts. W. K. Maxwell, western manager of the Hanover, takes the fire and marine group. E. Irving Fiery, manager Royal Indemnity, takes the casualty and surety group and A. J. Johannsen, Northwestern Mutual Life, is head of the life insurance circle.

REEVES NAMED CHAIRMAN

H. E. Reeves, vice-president of Joyce & Co. of Chicago, was elected chairman of the Chicago Insurance Agents Association at the annual meeting Tuesday. For the past year he has been vice-president and he has been on the executive committee since the organization was formed. The speaker at the meeting was Sanford B. Perkins, assistant secretary of the Travelers at the head office, whose remarks are presented in the casualty section.

The new vice-president is W. E. Rollo, Rollo, Webster & Co.; secretary, Bradford Gill, Gilbert & Gill, and treasurer, W. C. Oxnam, Oxnam, Goodman & Hall. Lyman Drake Sr., Critchell,

On the Board



JOSEPH J. BRUMMEL, Chicago

J. J. Brummel of Brummel Brothers of Chicago has been elected a director of the Globe & Republic Fire, one of the Corroon & Reynolds companies. He succeeds his brother, the late Henry C. Brummel, on the board. Mr. Brummel was recently elected vice-president and director of the Security Fire of Davenport.

Miller, Whitney & Barbour, reported as chairman of the nominating committee.

P. B. Hosmer, the retiring president, gave a brief talk in which he recalled some of the problems which had been tackled by the directors during the year. He expressed the belief that some action must be taken in Chicago to control casualty and surety acquisition costs. He recalled that the recent efforts to put in a new system of surety acquisition cost control in the city proved abortive.

LOSS ASSOCIATION MEETING

At the meeting of the Western Loss Association in Chicago this week A. H. Faeh, manager Chicago Auto Trades Association, was the chief speaker, telling about the forthcoming automobile show and giving some particulars as to the automobile business. J. A. McClelland, general adjuster Great American, presided as head of the organization.

ROYAL-L. & L. & G. CONFERENCE

The Royal-L. & L. & G. groups will hold a meeting at the Palmer House, Chicago, Oct. 27, for agents in Illinois, Indiana and Wisconsin. It will be in the nature of an educational conference and there will be discussed automobile insurance, brokerage, inland marine, use and occupancy, mutual and reciprocal competition, agency office management and coordination. The following from the head office in New York will be present and speak:

H. C. Conick, assistant United States manager; J. L. Erhardt, superintendent automobile department; O. Geling, accountant and assistant auditor; Clarke Smith, special representative of special service department; J. P. Mayer, superintendent inland marine department; W. L. Falk, manager brokerage department; E. W. Hotchkiss, manager western department; J. R. Wissmann, agency superintendent western department; E. H. Hill, agency superintendent western department.

NORTH OFFICE EXPANDING

The Thomas T. North Adjustment Company has taken over the space at A-2028 Insurance Exchange, Chicago, formerly occupied by the Central Surety of Kansas City. This is the third time that the Thomas T. North organization has found it necessary to take additional space since the Insurance Exchange building annex opened in 1928. At that time the North office established quarters at A-1818. About two years later it moved to a larger space at A-1803, and about a year ago took over the space of A-2045 and A-2026 that had been previously occupied by Bowes & Co. and the Central West Casualty.

This addition of another unit of space is made necessary because of the increase in business in all departments that the North organization is enjoying. During the past few years, Mr. North has established nation wide connections for the adjustment of claims of all types with correspondents in every city of consequence. His office no longer specializes in the adjustment of any particular type of loss, but is instead organized to handle claims of every description with trained department heads in charge. His office in recent years has been doing an especially large business in the settlement of products liability, public liability, compensation and long haul trucking claims in addition to automobile and fire losses in every part of the United States. In addition to its loss facilities, the Thomas T. North Adjustment Co. is one of the few adjusting organizations operating nationally that maintains a complete engineering service department.

AETNA FIRE OFFICIALS IN VISIT

W. Ross McCain, president, and Secretary Frank G. Bush of the Aetna Fire are visiting the western department offices of their company in Chicago this week.

F. W. Koeckert, U. S. manager of the Commercial Union, and head of the National Board, is visiting Chicago this week.

Talk on Security at Illinois C. of C. Insurance Luncheon

The insurance luncheon of the Illinois Chamber of Commerce, held in connection with the annual meeting of the chamber in Chicago, brought out a crowd which entirely filled the grand ballroom of the Palmer House. Many insurance groups had special tables. J. S. Kemper, president Lumbermen's Mutual Casualty, presided as chairman of the executive committee. After introducing the new president of the Illinois chamber, W. S. Carr of Chicago, and the retiring president, E. H. Wright of Belvidere, who now becomes chairman of the board, he called on H. A. Behrens, president Continental Casualty and Continental Assurance, who is chairman of the insurance division.

Mr. Behrens emphasized the vital part insurance plays in business generally, and stressed the necessity for a sense of trusteeship on the part of insurance executives. He referred to some of the ways in which the insurance division of the Illinois chamber had helped to bring Illinois to the forefront in insurance matters, including the establishment of an independent department of insurance, revision of the insurance laws and securing a suitable head of the department to look after the enforcement of those laws. He said that the big task at the present time is to see to it that an insurance director of the proper type is selected, no matter which party wins in the November election, and urged close cooperation with the successful candidate to that end.

Other insurance men at the head table included S. E. Moisant, Kankakee, secretary Illinois Association of Insurance Agents; John C. Harding, western manager Springfield Fire & Marine and insurance director of the U. S. Chamber of Commerce; W. H. Hansmann, Fidelity & Deposit, president Insurance Federation of Illinois; George R. Kendall, Washington National, president Health & Accident Underwriters Conference; Frederick Bruchholz, New York Life, president Chicago Association of Life Underwriters, and R. M. Redmond, president Insurance Brokers Association of Illinois.

Dr. Virgil Jordan, president National Industrial Congress Board, spoke on "How to Secure Security." He said that some strange things had been done in the name of security and many misleading ideas instilled in the minds of people. He insisted that the only way in which security can be attained is through the expansion and prosperity of industry and business, with more people working, and working harder and longer, rather than through governmental action. He declared that the system under which America has been developed is superior to any ideas that may be imported from European countries and referred to the fact that insurance in this country has built up a reserve under that system which is far above anything which can be found anywhere else in the world.

All Risks, Marine Office Just Opened in St. Louis

Manager F. W. Koeckert of the Commercial Union group announces establishment of an additional service office for the all-risks and inland marine department under supervision of N. V. Beulick in the office at 408 Pine street, St. Louis. The new office will take care of the growing business in Missouri, Kansas, Oklahoma and southern Illinois. Mr. Beulick has had many years' experience in fire, all-risks and inland marine departments of the Commercial Union.

H. S. Emmerich has been transferred from the New York office of the all-risks and inland marine department to the western service office, taking over territory formerly serviced by Mr. Beulick.

McClain Presents Plea for Better Qualified Agents

ADDRESSES INDIANA MEETING

Raps "Reactionary Tendencies" of Some
Company Executives and Outlines
Work Done by His Department

A strong plea for better qualified agents was made by H. E. McClain, Indiana commissioner, in his address before the Indiana Association of Insurance Agents at Marion, in which he incidentally rapped the "reactionary tendencies" of some company executives in regard to agency qualifications. He expressed the belief that the qualification of agents is and rightfully should be the duty and responsibility of the company and said that the utter disregard of a very few companies to assume this responsibility and discharge it faithfully has been the basis for the efforts of his department along that line in the past four years, although he believes that in general there should be a reduction in governmental supervision of the business.

Combine Selling, Service

He said that the business of insurance is a combination of selling and service and that stress has been laid on selling to the detriment of service, which he regards as an important part of the agent's function. He holds that the competent, conscientious, qualified agent can accomplish more in solving the big problems in insurance than can all the laws and rules that have been enacted for the past three decades, but such an agent, when the companies pour more agents into his community, must not only fight for new business, but to hold his old clients. He finds it very difficult to find time to render adequate service.

Many unethical practices of the business, he said, are attributable to the fact that there are too many agents for the amount of business available.

Cheapest Cover Often Most Costly

The greedy, short-sighted agent, he said, frequently goes so far as to knock all insurance when he does not make a sale. That kind of an insurance man in a community can breed more ill-will and malcontent than all the right-thinking agents in the community can correct.

The business of insurance, he continued, should be conducted on the basis, "up to a standard, not down to a price." The cheapest insurance at the time of purchase is often the most costly. There should be but one kind of insurance and that is insurance that insures.

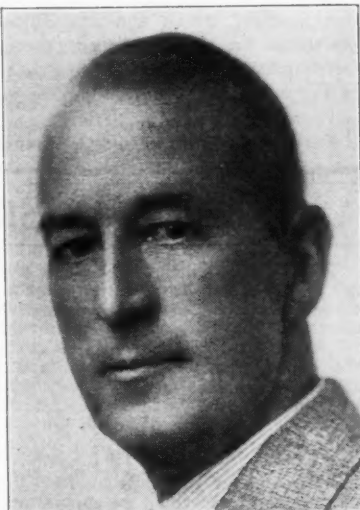
On the question of mutual competition, he referred to the statements by F. S. Dauwalter of the Business Development Office in his recent Pittsburgh address that the mutuals "have placed in the field a battery of well-trained salesmen" and asked: "Can this be the answer to the question so often propounded?"

Record in Indiana Cited

Mr. McClain said that in 1933, when he took office, 16,865 agents were licensed in Indiana, and that many of them unquestionably were incompetent, but as this condition had been built up through a long series of years it could not be corrected in a day. In 1934, through cooperation of companies and field men, the number was reduced to 13,782 and in 1935 to 11,947, most of whom were licensed before the new law became effective March 8, 1935. This last figure includes approximately 2,000 agents for health and accident only or life agents of companies that write accident and health and are thus required to secure a casualty license in addition to their life agent's license. So

(CONTINUED ON PAGE 24-C)

NEW BLUE GOOSE GRAND NEST OFFICERS



H. B. LEUTY, Vancouver, B. C.
Most Loyal Grand Gander



J. CLARK BUCHANAN, Los Angeles
Grand Supervisor



BEN S. McKEEL, Raleigh, N. C.
Grand Keeper



Trade-mark

THE famous trade-mark of
Ohio's famous company.

Although the Ohio Farmers Insurance Company was chartered in 1848, that celebrated personality—the Old Man on the Fence—did not join the "Ohio Farmers family" until 1879 when he permanently succeeded a series of various patriotic and agrarian devices previously in use.

Probably because of the realistic portrayal and outstand-

ing individuality of the sturdy character depicted, the design became immediately popular and the question of a suitable trade-mark was forever settled.

• • •

For three generations the Old Man on the Fence has stood for the Ohio Farmers—for *stability*, for *service* and for *fair treatment*—homely virtues of which he is the symbol no less in 1936 than in the years gone by.

OHIO FARMERS INSURANCE COMPANY

Chartered 1848

LEROY • OHIO

EDITORIAL COMMENT

Two Men Who Rendered Service

Two men are retiring from the executive committee of the NATIONAL ASSOCIATION OF INSURANCE AGENTS, who have been outstanding in what they have done and accomplished for the organization. They did not enter into the work because of any commercial advantage. They gave freely of their time, strength and money to the cause of the agency organization. Each man was frequently spoken of as a coming president of the association.

We refer to SIDNEY O. SMITH of Gainesville, Ga., and FRANK T. PRIEST of Wichita, Kan. Both are men of amiable and exquisite personality. Personally popular, they have had much influence not only because of their social contacts but far more because of

their ability to achieve. Mr. SMITH served as chairman of the membership committee during the year and did a remarkable piece of work. It was he also who gave so much time to the preliminary work in bringing forth the BUSINESS DEVELOPMENT OFFICE for the NATIONAL ASSOCIATION OF INSURANCE AGENTS.

Mr. PRIEST has been chairman of the finance committee in addition to his regular work on the executive committee. Both of these men deserve a word of praise and appreciation. When men of this type get back of organization work they add greatly to its momentum. It is to be hoped that at some time in the future they can be again called to the colors.

Conservation of Business

BUSINESS saved is often business gained. Perhaps we are too complacent when we secure business and take it for granted that it will remain on the books. We spend a lot of time in straining for new accounts and often neglect the old ones. In an office able

to render the highest kind of service and keep in touch with policyholders, especially lucrative ones, it is time well spent to think about keeping people sold. We all need to study more and more the conservation of business as well as methods of selling.

Competition from Cooperatives

THE large amount of current public interest in the consumer cooperative movement is of more than passing interest to life insurance men because it is the acknowledged aim of cooperative leaders to have their own life companies in order not to be dependent upon profit-system financial institutions for funds with which to expand. It might be thought that the typical mutual life company would be regarded by the cooperators as an example of the cooperative movement. However, the societies approach the life insurance situation from a different angle, the procedure being for a central cooperative organization to own the life company outright, while the central organization is in turn owned by the local cooperative in which each member has one vote.

Whether the current interest in cooperative buying indicates real expansion in this direction or whether it will be forgotten when better times make Americans less thrift-conscious, if the cooperative movement makes really important progress its effect on the life insurance business may be considerable.

To a greater extent than the Massachusetts savings bank plan, the cooperative movement carries the threat of

selling insurance to people who have been persuaded to buy it through the efforts of other salesmen. The Massachusetts savings bank plan has the argument of low net cost, which it achieves through eliminating the agent's commission and getting a virtually free ride on the score of office rents, investment management and clerical help. A life company owned by the cooperatives would have an admittedly strong plea that its members in buying life insurance from it, would be investing their money in their own cooperative enterprises, rather than putting money into an institution which for the most part would be lending to what the cooperatives term "profit" business.

The cooperative movement is a distinct threat to every type of commercial activity as it is now carried on. The ultimate state of affairs if the cooperative principle were carried to its conclusion would be a vast system of cooperatives of local societies through their central organization owning all facilities of production except where private enterprise could make a profit and still compete on a cost basis with the consumer-owned organization. Cooperative ownership not only of means of distribution but of factories, truck and rail lines, mines and even

farms is within the scope of the cooperative picture. Nobody believes that such a complete shift to the cooperative system is at all likely, but it is a question how far inertia and a traditional preference for the established order of merchandising will go in holding people to the established mode of buying and selling.

Entirely aside from direct competi-

tion with the accepted method of selling life insurance is the tendency for the cooperative movement to keep interest rates down, since it tends to keep the return on investment capital in profit-making businesses at a minimum by its competitive activities. This in turn, if it goes far enough, would have an effect on life company earnings on investments.

PERSONAL SIDE OF BUSINESS

T. W. Earls, Cincinnati, and his partner, Jack Wood, representing the Cincinnati Country Club, led a field of 19 teams to win that city's amateur golf tournament at the Cloverbrook course with a 67, 5 under par. Mr. Earls is associated with his father, W. A., in the well known Earls-Blain agency. T. W. is one of Cincinnati's best amateur golfers.

F. R. Bigelow, president St. Paul Fire & Marine, has accepted an appointment as a director of the Transportation Association of America, whose headquarters are in Chicago.

Henry C. Freeze of the Freeze agency, Jonesboro, Ark., was selected in the primaries as the Democratic candidate for clerk of Craighead county. Mr. Freeze beat his opponent by two votes.

William G. Dodge, Buffalo, son of Albert Dodge, has entered the agency of his father as assistant secretary. He was formerly connected with the Travelers agency in Buffalo.

Louis E. Mendel, special agent in Los Angeles for Cravens, Dargan & Fox, and Miss Josephine Russu, an employee in San Francisco of the same firm, were married recently.

J. W. Frankeberger, treasurer of the Lumbermen's Mutual of Mansfield, O., died after a short illness at the age of 77.

Mr. Frankeberger had served as treasurer of the Lumbermen's Mutual since 1917. He was a director of that company and also a director of Indiana Lumbermen's Mutual. He had been very active in the affairs of Mansfield and was a prominent citizen of that place.

Vice-president **Alfred Stinson** and Assistant Secretary **C. T. Hubbard** of the Automobile are making the mountain field circuit. On their way they visited Chicago.

Frank D. Moses of Harrisburg, Pa., secretary of the Pennsylvania Association of Insurance Agents, is now back on the job after having been confined to bed with an acute attack of laryngitis.

Prof. Alfred Manes, an authority in insurance education, has come to the United States from South America as visiting professor of insurance on the Patten Foundation at Indiana University. Dr. Manes has lectured on insurance in 20 different countries in various languages. He has written some 40 books on insurance and has contributed to insurance publications in many countries. He has served as insurance

counselor to Australia and other countries and organizations. Dr. Manes has decorations for his work from several countries.

For the past three years he has served as guest professor in universities in the Argentine, Brazil and Chile. At Indiana University, Dr. Manes has 150 students of insurance enrolled in courses in general insurance, life insurance and in his seminar on current problems of insurance.

Roy B. Nienhauser, vice-president R. M. Neely Co., St. Paul, and Miss Catherine Campbell, treasurer of that agency, were married there Oct. 20. Both are widely known in insurance circles. Mr. Nienhauser has been active in the Insurance Exchange of St. Paul, the Minnesota Association of Insurance Agents and the Insurance Federation of Minnesota. Mrs. Nienhauser is president of the St. Paul Association of Insurance Women. She plans to continue in insurance work.

W. E. Brown, head of the Brown General Agency of Seattle, sailed from San Francisco for New York via the Panama Canal, accompanied by Mrs. Brown. They plan to take several short trips on the Atlantic coast before returning to their home in Seattle.

Frank J. Bucher, 69, president Reliable Fire of Dayton, died recently in a Dayton hospital. He had been ill a week.

W. H. Johnson of Philadelphia, special agent for the National Liberty, died there.

A. E. Gilbert, vice-president of the Hanover Fire, left New York City Oct. 21 on an agency trip through the southwest, planning among other centers to visit Dallas and New Orleans. He is scheduled to be home Nov. 1.

Walter C. Ploeser of the Ploeser-Moseley-Watts agency, St. Louis, has been elected president of the Young Republican Federation of Missouri. He is a candidate for state senator from the 29th district.

Superintendent **L. H. Pink** of the New York department continues in demand as a speaker at insurance gatherings in different sections. Company officials, special and local agents and brokers alike are eager to learn his views on present day problems in the underwriting world. As head of the foremost supervising department in the land, Mr. Pink is in position to get a broad view of all important trends and to interpret them. Having no direct interest in any class of carriers or in-



THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Wabash 2704.

E. J. WOHLGEMUTH, President
LEVERING CARTWRIGHT, Ass't Man. Editor

C. M. CARTWRIGHT, Managing Editor
Associate Editors: **F. A. POST**, **C. D. SPENCER**

H. J. BURRIDGE, Vice-Pres.
D. R. SCHILLING

Associate Managers: **W. A. SCANLON**, **G. C. RORING**, **O. E. SCHWARTZ**
JOHN F. WOHLGEMUTH, Secretary

CINCINNATI OFFICE — 420 E. Fourth St., Tel. Parkway 2140. **Louis H. Martin**, Mgr.; **Curtis C. Crocker**, Vice-President.

HARTFORD OFFICE — Room 502, 18 Asylum St., Telephone 7-1227. **R. E. Richman**, V. P.

DES MOINES OFFICE — 325 Insurance Exchange, Tel. 44417. **R. J. Chapman**, Res. Mgr.

NEW YORK OFFICE — 1200-123 William St., Tel. Beekman 3-2958. **Editorial Dept.** — **G. A. Watson**, Assoc. Ed.; **R. B. Mitchell**, Asst. Ed.; **Business Dept.** — **N. V. Paul**, Vice-Pres.; **W. A. Spiker** and **J. T. Curtin**, Resident Managers.

PHILADELPHIA OFFICE — 1127 Fidelity-Philadelphia Bldg., Tel. Pen. 3706. **W. J. Smyth**, Res. Mgr.

SAN FRANCISCO OFFICE — 507-8-9 Flatiron Bldg., Tel. Kearny 3054. **F. W. Bland**, Res. Mgr.; **Miss A. V. Bowyer**, Pacific Coast Editor.

DETROIT OFFICE — 1015 Transportation Bldg., Tel. Randolph 3994. **A. J. Edwards**, Res. Mgr.

DALLAS OFFICE — 1218 Kirby Bldg., Tel. 2-4491. **Fred B. Humphrey**, Res. Mgr.

ATLANTA, GA., OFFICE — Trust Company of Georgia Bldg., Tel. Walnut 5567. **W. M. Christensen**, Res. Mgr.

CANADIAN BRANCH — Toronto, Ont., 34 King St. East, Tel. Waverly 2354-5. **Ralph E. Richman**, Vice-Pres.; **W. H. Cannon**, Manager.

Subscription Price \$4.00 a year in United States and Canada. Single Copies, 20 cents. In Combination with Life Insurance Edition, \$5.50 a year. Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act March 3, 1879.

dividual company, he is accountable to the citizens of the commonwealth for the solvency of all admitted institutions, and for the good practices of their representatives.

A lawyer by profession, Mr. Pink has the power of analysis to an unusual degree, which faculty coupled with clarity of expression and sound reasoning power supplies an added reason why he is so frequently called upon to appear before meetings of insurance men.

Robert R. Thompson, special agent North British & Mercantile in New Jersey, is confined to a hospital in Camden, N. J., where he was operated on for acute appendicitis. His condition is said to be satisfactory.

Herman D. Walters, local agent of Binghamton, N. Y., and Mrs. Walters celebrated their 46th wedding anniversary last Thursday. His son Robert is now in the agency with his father. They recently doubled the size of their office in the Security Life building, Binghamton.

Brig. Gen. C. B. Baker, chairman of the American National of Columbus, O., died in Walter Reed hospital in Washington, D. C., where he had been confined for the past eight months. He was 76 years of age. He is being buried in Arlington cemetery. General Baker was not a practical insurance man. He was the leader in one of two groups that were seeking to obtain control of the American National prior to the time that company was brought into the Great American group. General Baker's faction was successful and he was made president of the American National. Shortly thereafter the company was taken over by the Great American, and General Baker was made chairman of the board. He was a classmate of General Pershing at West Point and during the world war served on Pershing's staff. He was a colonel at the time that war was declared. He was later made brigadier general and retired with that rank. After the armistice he was in charge of feeding the German children. Vice-presidents A. R. Phillips of New York and W. O. McLelland of Columbus attended the funeral.

E. S. Phelps, prominent local agent of Burlington, Ia., and one of the grand old men of the business in that state and in the west, was guest of honor Wednesday evening of this week at a banquet given by the western department of the North America, the occasion being the fact that Mr. Phelps has completed 51 years of representation of that company. He has not only represented the North America as a local agent for over half a century, but in former days he was their field man in Iowa. Mr. Phelps was in Chicago for the meeting the previous evening of the Life Members Society of the Fire Underwriters Association of the Northwest.

At the banquet W. B. Flickinger, retired associate western manager of the North America, acted as toastmaster. W. S. Foster, another retired associate western manager, spoke in recollection of the old days.

Mr. Phelps in recent years has been the guest of honor at several dinners given by the companies that he represents in recognition of half-century relationships.

Fred H. Walker, 62 years old, manager Liverpool & London & Globe's Newark branch office, died at his home in Upper Montclair, N. J., after a lingering illness. He had spent his entire insurance career with the company, having entered its employ Sept. 15, 1890, in the New York office. In 1910 he was appointed special agent in eastern Pennsylvania. He was called to the New York office in 1924 as an agency superintendent and Jan. 1, 1925, was appointed to the position he held at the time of his death.

Pluckings from Blue Goose Meet

At the golf tournament, first prize was awarded to K. R. Rone, Oklahoma City. The second prize, low score of visiting ganders, was given to Hugh R. Loudon, Babson Park, Fla., formerly United States manager Liverpool & London & Globe. Frank M. Callahan was awarded a prize for low net and Guy Shirley, Denver, was runner up.

Much favorable comment was heard on the splendid manner in which the members of the Kansas pond put on the model initiation. L. H. Ballard acted as most loyal gander; Howard Searle, supervisor; Joseph Springer, custodian; William F. Ehert, guardian; C. H. Burr, keeper, and J. S. Jensen performed as welder. V. E. Herbert was captain of the guards who were R. H. Fikes, B. E. Marsh, J. Y. Dickerson, George Shank, N. K. Nelson and Harry Yankey.

Gordon S. Yeargan, Dallas, secretary Trinity Universal, most loyal gander Texas pond, was called back to Dallas due to his father's death.

Among the visitors at this year's gathering was **R. D. Air**, Kansas state agent America Fore. It was the first time he had visited Oklahoma City in 29 years. He formerly traveled in Oklahoma.

William T. Benallack, Detroit, vice-president Michigan Fire & Marine, past most loyal grand gander, has attended 30 grand nest meetings. He is the only member of the order with such a record. He is a permanent delegate from the Michigan pond.

John McClure, St. Paul, Minnesota, was a visitor. He has now been retired, but was employed by the St. Paul Fire & Marine for 62 years. He is now in his 81st year. For many years he traveled as special agent and adjuster in Minnesota, Wisconsin and Michigan. He is a charter member of the Blue Goose and attended the first meeting at Green Lake, Wis.

The **America Fore** was well represented at this year's gathering as delegates and visitors. E. A. Henne, vice-president, J. H. MacFarlane, secretary, and James E. Guy, manager automobile department, came on from Chicago. O. F. Grover, Dallas, was also on hand. Altogether, about 20 America Fore men were in attendance.

At the luncheon for the ladies, Mrs. Rex W. Kendall, Oklahoma City, chairman of the ladies' committee, presented Mrs. T. Ray Phillips, wife of the most loyal grand gander, with a sterling silver vegetable dish. There were 150 ladies present at this affair.

During the meeting, **Charles Wood**, Quebec pond, presented to **William T. Benallack** "Bateese Joins The Blue Goose." The verse was written by Mr. Benallack years ago and given to the Quebec pond. Mr. Benallack caused much amusement in the reading of this bit of verse.

The **Oklahoma pond** maintained open house at the Biltmore Hotel. John E. Wilkerson, Kansas City Fire & Marine, was in general charge. A large number of the ganders took advantage of the fine hospitality dispensed by the Oklahoma men.

Denny McLarry, Dallas, Home general agent for Texas, and Mrs. McLarry were visitors.

At the luncheon of the **Oklahoma pond** 150 ganders were present. A number of these were members of other ponds who were in Oklahoma City to attend the grand nest meeting. Cornelius M. Smith, most loyal gander, presided. All of the grand nest officers were introduced by T. Ray Phillips, Oklahoma City.

There were three past most loyal grand ganders present at this year's meeting in the person of William T. Benallack, John F. Stafford and H. Verne Meyers.

John F. Stafford, Babson Park, Fla., formerly western manager of the Sun, now retired, and **Hugh R. Loudon** of Babson Park, formerly United States manager, Liverpool & London & Globe, also retired, made the trip in automo-

bile from Florida. Both of these men traveled to Chicago to be on hand for the meeting of the life members of the Northwestern Fire Underwriters Association.

Austin A. Rittenhouse, Oklahoma City, well known insurance attorney, while not able to be present during the meeting, was a very important factor in the arrangements made before the meeting.

William Quaid, New York, vice-president Home, attended the Blue Goose meeting and remained in Oklahoma City for the Oklahoma agents' meeting.

Charles W. Ohlsen, manager western department of the Sun, was present.

M. H. Grannatt, New York, vice-president Royal-Liverpool group, attended the sessions of the grand nest meeting and was also on hand for the Oklahoma agents' gathering. He spoke briefly to the agents on Friday.

The **Indian pageant** in connection with the Bar-B-Q was well attended and voted by all a most splendid entertainment. Those who took parts were from the Riverside Indian School, Anadarko, Okla. All were real Indians from the Caddo, Comanche and Apache tribes.

There were 22 dancers in the cast and eight singers, there being 42 performers in all. The troupe had just returned from the Cleveland exposition where for six days they had given three performances a day. These folks are not professionals.

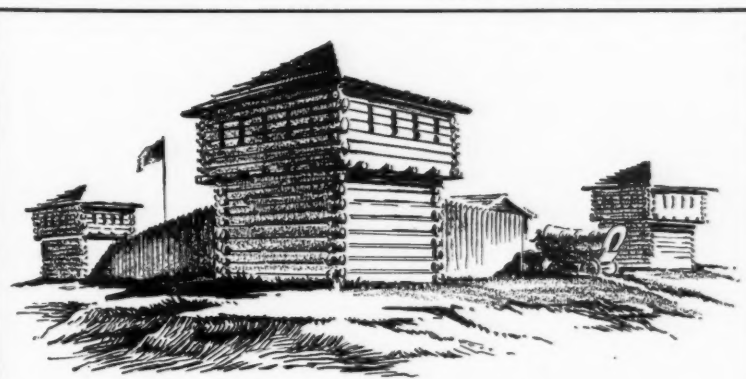
The **Canadian delegates** presented to the grand nest a picture of King Edward of England and also one of President Roosevelt. These same members enlivened the proceedings immensely by the singing of "Allowa."

Too much praise cannot be given the members of the **Oklahoma pond** for the splendid manner in which all of the arrangements for the meeting were handled. It is evident that much hard work had been done previous to the meeting date by the members of the Oklahoma pond in working out the plans necessary to handle a gathering of this magnitude. On every hand comments of appreciation were heard from the delegates and visitors regarding the thoughtfulness and graciousness of the Oklahoma men. Every detail was looked after in a most efficient manner.

The entertainment provided the delegates and visitors was no doubt the best that has ever been presented at a Grand Nest meeting.

A. B. Stewart acted as chairman of the general committee, C. T. Ingalls, vice-

(CONTINUED ON PAGE 32)



PROTECTION

In the early pioneering days protection came first. It was a stern necessity. Today protection of agency prestige is likewise a stern necessity. It is only thru companies of unquestioned financial security that agents can successfully build. The Northwestern Fire and Marine, a pioneer in sound practice, offers agents every advantage of capable management, conservative underwriting and experienced field service.

NORTHWESTERN FIRE & MARINE INSURANCE CO.

MINNEAPOLIS
MINNESOTA



JOHN H. GRIFFIN
PRESIDENT

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Better Understanding Needed

L. C. Hilgemann Tells Credit Men of Factors Involved in the Purchase of Insurance

Misunderstandings about most insurance contracts come from a lack of understanding on the part of the purchaser of what is contemplated in the policy or a misunderstanding on the part of the company as to what the purchaser intended to insure, said L. C. Hilgemann, president of the Milwaukee Board, in a talk before the Wisconsin & Upper Michigan Credit Men's Association at Oshkosh, Wis. In comparing the soundness of insurance companies the net annual premiums and the policyholders' surplus in relation to net premiums should be analyzed, said Mr. Hilgemann. In considering the premium rates the buyer must remember that the charge is the result of many years of experience and considerable research on the part of insurance companies. Insurance agents perform a dual purpose in seeing that their clients or customers have the right kind of insurance and that the customer in turn receives a sound and equitable adjustment of his losses. Mr. Hilgemann stressed the importance of dealing with reputable agents. An insurance buyer should have confidence in his agent, telling him his problems so that if he has a loss he will be in a position to replace it. Security rather than price should be the real measure in purchasing insurance, said Mr. Hilgemann.

E. V. Rawlings' New Enterprise

E. V. Rawlings, who recently resigned as special agent in Michigan for the Pearl group, has joined with C. C. Rae in organizing Rawlings, Inc. of Detroit to act as "sectional, state or local agents issuing insurance." Mr. Rawlings is a son of President Ralph Rawlings of the Monarch Fire. The offices of Rawlings, Inc., are in the Free Press building.

Push Fire Prevention School

MILWAUKEE, Oct. 21.—The fire prevention committee of the Milwaukee Board, consisting of Henry Eckstein, R. E. Brandenburg and Theodore Johnson, has sent a special notice to members, relative to support by fire insurance interests of Milwaukee of the annual fire prevention school to be conducted under the auspices of the fire prevention section of the Milwaukee Association of Commerce. Sessions will be held Oct. 29, Nov. 5 and 12, with an outdoor demonstration Oct. 31.

Arson Checked in Minnesota

ST. PAUL, Oct. 21.—Arson is being effectively discouraged in Minnesota through the activities of the state fire marshal's office, which predicts that this year will be one of the best in recent years as far as incendiary fires are concerned. The securing of 29 convictions in arson cases in 1934 and 1935 resulted in a letup of incendiary fires this year, with the result that only a few arrests have been made.

Detroit Agents Listed

LANSING, MICH., Oct. 21.—The Michigan department, which is busy making a checkup of licenses to discover the exact number of agents now active in the state, has completed a tabulation in Detroit showing that there are now 6,181 agents of all classes

licensed there. The count is now being extended to the remainder of Wayne county.

The number licensed for life companies only is 2,818; for one fire or casualty company only 1,333, and for two or more fire and casualty companies 2,030, the last figure evidently representing the actual number of general agencies writing business in Detroit.

R. M. Morse, second deputy commissioner and former licensing division head, estimates the total number of agents in the state at 22,000 but it had been believed that a larger proportion was in Detroit.

Atwood Jenkins Genealogist

Atwood Jenkins of the Jenkins Bros. agency of Richmond, Ind., who is national councillor for his state, has traced the history of his agency back to 1854. It was established in that year by William Blanchard.

Mr. Jenkins states that when he entered the agency more than 30 years ago it was being advertised as "the oldest and largest insurance agency in eastern Indiana, established in 1854." He became interested in knowing the history of the agency but was unable to go back farther than the representation by Lemon & Clark in 1882.

Recently the Jenkins Bros. agency was presented with an electric clock by the Great American which has been represented in the agency for 50 years. This prompted Mr. Jenkins to make further inquiry to get the complete line of succession. He states that he was able through the aid of his companies to get the representation all the way back to William Blanchard.

Mail Missouri Checks Soon

KANSAS CITY, Oct. 21.—W. T. Kemper, federal court custodian of the policyholders' 20 percent of the premiums impounded in the Missouri fire rate case litigation, now ended, has announced that checks will begin to go

out to policyholders of the state some time next month. Distribution of the approximately \$2,250,000 will require the writing of over 3,000,000 checks, which will average around 75 cents apiece. Each policyholder entitled to a refund under the federal court-insurance department settlement of the case will get a check for each policy included in the impounding. Writing and mailing the checks will take some months.

Milwaukee Meet Again Postponed

MILWAUKEE, Oct. 21.—The annual meeting of the Milwaukee Board, originally scheduled for Oct. 14, and postponed one week because of the annual meeting of the Wisconsin Association of Insurance Agents in Kenosha last week, has again been postponed to Oct. 28. The second delay is occasioned by an important conference on insurance legislative matters this week at Madison.

Illinois Department Reports

SPRINGFIELD, ILL., Oct. 21.—Insurance Director Palmer has issued his report covering the affairs of his department from July 1, 1935, to June 30, 1936. Department collections amounted to \$7,710,201, and expenditures \$447,916.

The appropriations available were \$620,269.

Illinois had 1,178 companies in operation July 1, 1935, and on June 30, 1936, it had 1,164. Twenty-two companies during the year were admitted or organized, while the number discontinued was 36. There are 583 fire companies, 207 casualty, 133 life, 140 fraternal, 101 mutual benefit and burial.

During the license year there were issued 74,911 agents licenses, 9,280 brokers, and 3,449 solicitors.

Will Liquidate Kokomo Mutual

On petition of the Indiana department, the Farmers & Merchants Mutual Fire of Kokomo has been declared insolvent and is being taken over by the department for liquidation. The deficit is estimated at about \$10,000. It began business in 1894.

A. J. O'Connor, vice-president Leedom, O'Connor & Noyes Co. agency, Milwaukee, has been elected president of the Blue Mound Golf & Country Club.

Toastmaster



H. PHELPS SMITH, Nashville, Tenn.

H. Phelps Smith of Gale, Smith & Co. of Nashville, former president of the Tennessee Association of Insurance Agents, will be the toastmaster at the banquet at the annual meeting Thursday evening of this week, preceding the dance.

principal mercantile district because of large areas, lack of window protection and weak fire fighting facilities. Frequent fire walls and the narrow shape of the district should assist in preventing the entire district being involved. Serious group fires are probable in hotels, minor mercantile and rooming house sections which might spread to moderate extent to adjoining properties.

Dissolve Augusta Partnership

AUGUSTA, GA., Oct. 21.—A. D. Tobin and Coles Phinzy, co-owners of the F. Phinzy & Co. agency, founded in 1866, have dissolved partnership. Mr. Tobin will operate as A. D. Tobin & Co., having associated with him his son, A. D. Tobin, Jr., now an agent of the Northwestern Mutual Fire. Mr. Phinzy will continue the Phinzy agency with Frank Hull as manager. Their present lineup of companies will not be disturbed.

Address Dixie Group

CLARKSDALE, MISS., Oct. 21.—The Yazoo Delta Local Agents Association at its monthly meeting Oct. 16 heard talks by John Sharp Williams III, commissioner of insurance; Ernest Walton, Ruleville, president Mississippi Insurance Agents Association; Hillery Forrester, New York, assistant manager Liverpool & London & Globe, and Albert Sears of Crum & Forster, Atlanta.

Lumbermen Defer Action

MIAMI, FLA., Oct. 21.—At a meeting here the Florida Lumber & Millwork Association, composing the bulk of the yards and retail businesses of the state, decided to postpone organizing a mutual to carry fire and casualty coverage of the membership. A committee headed by Harvey Dickson of St. Petersburg advised that the matter be delayed for six months, in which time it was thought that the regular companies might be brought to agreement on rates and conditions desired by the dealers. Both dealers and companies have been trying

IN THE SOUTHERN STATES

Tennessee Agents' Meeting On

Some of the Main Features of the Annual Convention Being Held in Nashville

NASHVILLE, Oct. 21.—Mark Bradford is general chairman of the local Nashville committee in charge of the annual convention of the Tennessee Association of Insurance Agents in this city this week. H. H. Corson, president of the Tennessee association, is chairman of the program committee. Irvine Chase is chairman of the banquet and dance committee; H. Phelps Smith, registration and finance; Reeves Handley, registration; Balie Gross, entertainment; Douglas Hall, invitations and publicity. I. H. Gibson will give the address of welcome for the Nashville Insurance Exchange and the response will be made by Bethel Hunt, president of the Memphis Exchange.

On Friday morning there will be two breakfast group meetings, one for agents in towns of less than 50,000 people with H. A. Bransford, Union City, as chairman and all those coming from towns of 50,000 with W. S. Keese, Jr., of Chattanooga as chairman. Mr. Keese

is executive vice-president of the Tennessee association.

H. G. McMillan of Knoxville, national councillor, will give a report the first morning. Leslie M. Ross, secretary and treasurer, will give his report as will H. H. Corson of Nashville, the president. C. B. H. Loventhal of Nashville, chairman of the legislative committee, will give a report Thursday afternoon.

Holger de Roode, veteran Chicago agent, over 60 years in the business, is in Nashville as guest of the Tennessee body.

Hazards in Hot Springs, Ark.

In a report on Hot Springs, Ark., supplementary to one of August, 1932, the National Board states that the water supply works are adequate and thoroughly reliable; available quantities are seriously deficient because of weaknesses in supply mains and distribution system. The fire department is fairly well equipped but undermanned and the lack of training and inspection program, combined with the lack of discipline, makes for poor fire methods.

Serious group fires, extending to surrounding blocks, are probable in the

1937 MODELS

mean
a
Record Year in
**AUTOMOBILE
INSURANCE**

The big parade of 1937 models has started. Manufacturers are planning huge production. Trade prophets predict new sales peaks. The public has loosened its purse strings and — *there will be a "whale of a lot" of automobile insurance written during the next few months.*

WILL YOU GET YOUR SHARE?

The principal duty of PACIFIC NATIONAL'S Automobile Department is to assist our Agents in increasing their automobile writings.

Thoroughly versed in all the special problems involved, the personnel of this Department is above all experienced, practical and helpful. One of many reasons why PACIFIC NATIONAL offers . . . *A Company Connection Worthy of Agency Selection.*

LET'S TALK IT OVER

PACIFIC NATIONAL FIRE INSURANCE COMPANY

HOME OFFICE • SAN FRANCISCO

Eastern Department

INDEPENDENCE BUILDING
PHILADELPHIA

Other Offices

CHICAGO • LOS ANGELES
PORTLAND • SEATTLE

to work out their differences for a long time. The insured insists that rates are too high for the risks, and the companies that the hazard is too great to make the cost any less. The business represents a tremendous volume of insurance in both fire and casualty.

Enlarge Rating Bureau Branch

MIAMI, FLA., Oct. 21.—The district office of the Florida Rating & Inspection Bureau has been compelled by the sharp increase in building activity in the Miami area to enlarge its staff and expand its quarters. An additional office has been taken and two new clerks have been added. Neal M. Brock is manager.

American Druggists Complaint

Hearings are being held before the Oklahoma insurance board this week in connection with complaints filed against the Glen Dial Motor Company of Tulsa and American Druggists Fire of Cincinnati.

American Druggists is challenged by the board for selling insurance at 25 percent below the established rate.

Claim against the Glen Dial Motor Company was filed by the Tulsa insurance board. It is charged with discrimination in that it makes a lesser charge to the automobile purchaser if the insurance is taken out in a certain company.

Assessment on Florida Mutual

MIAMI, FLA., Oct. 21.—Notice of assessment of one annual premium on policies issued by the State Mutual Fire of Miami, which was taken over by the insurance department for liquidation last January, is being mailed to policyholders. The company became unable to meet its losses occasioned by the tropical storm of Nov. 4, 1935, the total impairment amounting to \$32,736.

Make Hail Adjustments

ARDMORE, OKLA., Oct. 21.—A temporary office was established in Ardmore by the Fire Companies Adjusting Bureau to take care of claims resulting from a severe hail storm Oct. 6.

Practically every composition roof in Ardmore was damaged to some extent, according to George W. Kline, bureau manager. Total loss is estimated as approximately \$300,000.

Greater Miami Board Meets

MIAMI, FLA., Oct. 21.—The Greater Miami Insurance Board at its semi-monthly luncheon meeting took up general business matters. Discussion was led by Briggs Branning, president of the board.

Suits Brought in Gainesville

Suits numbering about 30 and aggregating \$700,000 have been filed against fire insurance companies seeking recovery on account of loss allegedly suffered in fires following the tornado at Gainesville, Ga., last April. The suits are filed primarily to obtain a ruling on the fallen building clause. The cases filed in superior court will be tried in January and in city court at the February term.

Discuss Virginia Manager

RICHMOND, Oct. 21.—The executive committee of the Virginia Association of Insurance Agents met here to discuss ways and means of raising funds to defray the cost of employing a paid manager. While no definite decision was reached, a proposed plan to name committees in different sections of the state to sound out agents as to how much they would contribute toward the cost was regarded as having considerable merit. The full cost of maintaining and operating such an office is estimated to be around \$10,000. The committee is proceeding under a resolution adopted at the last annual meeting in

New Richmond Head



J. D. EWELL

J. D. Ewell of Gibson, Moore & Sutton was elected president of the Richmond Insurance Exchange at its annual meeting, succeeding J. T. Alsop, who was elected vice-president. Mr. Ewell is now chairman of the executive committee of the Virginia Association of Insurance Agents. A. L. Richardson succeeds himself as secretary-treasurer of the exchange. Reports submitted at the meeting showed affairs of the exchange to be in good condition. There was a net increase in membership during the year, the present number of members being 37.

Lynchburg, authorizing it to put the paid manager plan into effect if it is deemed practicable.

Hines Is Texas Visitor

J. H. Hines, Sr., southern department manager for Crum & Forster, has been a visitor in Texas.

News of Pacific Coast States

Smith Scores Rate Cutting

Utah Commissioner Expresses Contempt for Those Who Depend on Low Cost in Selling

Commissioner Smith of Utah, in addressing the annual meeting of the local agents association of his state, delivered a strong denunciation of the rate cutter.

"There is something fundamentally wrong with the agent who can sell his insurance on no other basis than that of price and something intrinsically unsound with a company that relies on such a man for the securing of its business," he declared. Companies, he said, should so arrange their organization that their acquisition cost comes well within their legitimate earnings so that this cost is reflected neither in an increase of premiums or in the impairment of reserves or assets.

"Not long ago," he continued, "some men in our business seemingly forgot the lessons of the past and as a result a movement was started toward unwarranted price cutting. They were taking a first step toward the impairment of their company, their own personal loss and the weakening of the public security. Fortunately there were those of you who realized the folly of this course and definite steps were taken for the correction of this evil. Today I sincerely



NATIONAL UNION FIRE INSURANCE COMPANY

Pittsburgh, Pa.

OUT OF THE MAIL BAG

"On March 6, 1906, I wrote [my first fire insurance policy, and it was placed with your company. This risk, by the way, continues with my agency and the National Union."

A
Good
Agency
Company

"When a man is no longer faithful to his purpose, destiny deserts him."

—NAPOLEON.

Through more than fifty years the purpose of the Security Fire has been to establish close human relationship with its agents. In so doing we see as our "destiny" real pleasure in our associations helping us towards achievement.

"Your Friendly Company"

SECURITY FIRE INSURANCE COMPANY
DAVENPORT, IOWA

"PROTECTION SINCE 1883"

**RELIABLE
SELLS**



IF

**YOU SELL
RELIABLE**

For 71 years Reliable Fire Insurance has been building the reputation that you can now represent. The name "Reliable Fire Insurance" stands for reliability, financial stability, prompt payment of every honest claim and cooperation with its agents! If you would like to be backed by a company with good sound business policies and high ideals . . . join with Reliable. You will find that you are selling an insurance that is well known . . . and you are representing a company that is respected. For details, write

Wm. F. Kramer, Secretary.

An Independent
Ohio Company with a
Current
Surplus to
Policy-
holders of
\$1,106,093.39

RELIABLE
Fire Insurance Co.
DAYTON, O.

Special
Agents
for Ohio
Harry J.
Favorite
R. E.
Metzger
For Indiana
C. R.
Dobbins
For West
Virginia
Fred C.
Campbell

feel that we never have had a condition insurance-wise in this state that was sounder or more helpful to all concerned than that of the present."

No company can remain solvent, according to Mr. Smith, unless the premium paid is sufficient to carry the load of operation. It is the duty of agents to follow sound practices and zealously to maintain the present situation of insurance in Utah.

Maltby Named Successor to Giberson in Mountain Field

DENVER, Oct. 21.—H. B. Maltby has been selected by the Westchester to fill the vacancy caused by the death of H. P. Giberson, manager of the mountain field. Mr. Maltby is well known throughout the mountain territory, having traveled for that company the last 16 years. For several years he has been agency superintendent.

C. D. King, formerly special agent for the Sun, has been added to the underwriting department, taking over a part of Mr. Maltby's former duties.

Motor Carrier Rules Reviewed

PORTLAND, ORE., Oct. 21.—The new insurance regulations for motor carriers were outlined by H. S. Hughes, district supervisor bureau of motor carriers, at the Insurance Men's Breakfast Club. J. H. Barnet of the Harvey Wells agency was chairman.

New Forest Fires in Oregon

PORTLAND, ORE., Oct. 21.—Fires are again raging along a wide front on the Oregon coast in the vicinity of Yachats and Waldport, below the wiped out town of Bandon. The forest fires have almost surrounded the C. D. Johnson Lumber Company's plant. Should the wind change, it would wipe out the picturesque town of Yachats.

All forms of fire equipment are being rushed to the burning area and scores of CCC boys are under orders. Many families are all packed, ready to flee if the wind changes.

Two score fires are reported sweeping over a 400-mile front in northern California.

Firemen's Officials Go East

Fred W. Sullivan, second vice-president; R. W. Walbey, assistant secretary of the Firemen's group and A. V. Masi, assistant secretary of the Metropolitan and Commercial Casualty, are en route from San Francisco to the home office at Newark to confer with officials.

W. B. Rearden, executive vice-president of the group, who has been touring the Pacific Coast field for the past three weeks, going as far north as Seattle, made a brief stop in Los Angeles en route to the home office. He was accompanied as far as Los Angeles by A. Milhaupt, assistant secretary in the San Francisco office.

Insurance Astronomer Speaks

Howard W. Armstrong, past commander of Insurance Post 404, American Legion, San Francisco, spoke at its luncheon meeting Oct. 15, as did Manager Armstrong of the automobile claims department of the Fireman's Fund group, on "When Stars Shine So Bright." He has gained much publicity recently as an amateur astronomer, and explained to fellow members of astrophotography, the building of his own photo-telescope and other interesting sidelights.

Spokane National Board Report

The National Board, in reporting on Spokane, states the gross fire loss for the past five years was \$1,052,752, the average loss per fire being \$372, "an average amount," and the average loss per capita \$1.77, "a low amount."

The water supply works are declared to be adequate and reliable; ample quantities are generally available for en-

Presiding Officer



WILLIAM P. WELSH, Pasadena

President W. P. Welsh of the California Association of Insurance Agents, who is a Pasadena local agent, is presiding over the annual meeting this week at San Jose.

gine supply and often for direct hydrant streams. The fire department is thoroughly well trained but undermanned and inadequately equipped. The fire alarm system is outgrown, inadequate and unreliable.

In the congested value district the predominance of non-fireproof construction, frequently of excessive height and area, and with unprotected floor openings and windows, make severe group fires probable. In several locations near the central part of the district there is a good chance of a fire involving an entire block and possibly spreading across the street to adjacent blocks. The water supply is ample, however, and most streets are of fair widths, so that the probability of a conflagration involving any considerable portion of the district is moderate.

In the minor mercantile, industrial and warehouse district, the hazard is mainly local, except in some lumber districts where fires involving large areas can readily occur.

Evans Named Bureau Manager

Vance H. Evans has been appointed manager of the California Insurance Bureau of Los Angeles. He was formerly manager of the Insurance Exchange of Los Angeles and later special agent for H. F. Ahmanson & Co. there.

Owner Liable for Hazard

OLYMPIA, WASH., Oct. 21.—The supreme court sitting en banc has confirmed the departmental decision of June 2 in Prince vs. Chehalis Savings & Loan, holding that the owner of property who permits creation of a fire hazard must pay the owner of adjoining property all loss from fire originating on the hazardous premises.

Opens Boise Office

BOISE, IDA., Oct. 21.—P. E. Wickes has opened a general adjustment office in Boise and will handle automobile, fire and inland marine. He has been an adjuster here for the past 25 years, and for 13 was special agent covering the Idaho territory.

Set Up Albuquerque Office

DENVER, Oct. 21.—The Fire Companies Adjustment Bureau has established a three-man office at Albuquerque, N. M., with Robert Wigley as branch manager. Walter Zeaner has been appointed special risk superintendent.

(CONTINUED ON PAGE 25)

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

ALABAMA

**BRADLEY, BALDWIN,
ALL & WHITE**
21st Floor Comer Building
Birmingham, Alabama

**LAW OFFICES OF
Coleman, Spain, Stewart
& Davies**
706 to 719 Massey Building
Insurance Attorney
Birmingham, Alabama

HENRY C. MEADER
First National Bank Building
Montgomery, Alabama
Equipped for Investigations and Adjustments,
Settlement of Claims, Trial of all Insurance
Cases in State and Federal Courts in Central
and Southern Alabama.

ARKANSAS

WARNER & WARNER
Merchants Bank Bldg.
Fort Smith, Arkansas
Representing U. S. F. & G. Co.; Standard Am.
Ins. Co.; American Surety Co.; Continental Cas-
ualty Co. Equipped for investigation, adjustments and settle-
ment of all claims. Trial of all cases in State and
Federal courts in western Arkansas.

**COCKRILL, ARMISTEAD
& RECTOR**
Southern Building
Little Rock, Ark.
Representing the Travelers Ins. Co., Employers
Group, Boston, Continental Cas. Co., Chicago.
Equipped for investigations, adjustments and settle-
ment of all claims. Trial of all cases in State and
Federal Courts.

ARIZONA

**FRED C. STRUCKMEYER
Associates**
J. Bolivar Sumter
James E. Flynn
209 Luhrs Building
Phoenix, Arizona

Francis D. Crable
Suite 17, Union Block
Prescott, Arizona
Representing New York Casualty Co., Travelers, and
others.
Trial of cases in State and Federal Courts.
Equipped for investigations, adjustments and settle-
ments of all insurance claims.

FREDERIC G. NAVE
512 Valley National Bldg.
Tucson, Arizona
Aetna Group, American Auto, Connecticut
Indemnity, Fidelity & Casualty, The Massa-
chusetts Bonding, The Travelers and other
leading companies.
General Insurance Practice

CALIFORNIA

Preston D. Richards
650 South Spring Street
Los Angeles, California
Former General Counsel Union Automobile
Insurance Company.
Trial of all Insurance Cases in State and
Federal Courts.

CALIFORNIA (Cont.)

HERBERT W. KIDD
735 I. N. Van Nuys Building
LOS ANGELES
Eugene S. Ives Victor C. Ross
Fred Aberle John S. Bolten
Benjamin S. Parks
Equipped Investigations, Adjustments,
Trial All Cases.
Cable Address—Herki

**MESERVE, MUMPER,
HUGHES & ROBERTSON**
555 So. Flower Street
Los Angeles, California

Irving E. Read
910-742 S. Hill Street
Los Angeles, California
Specializing in Trial Work. Claims referred
to competent adjusters. Member of Chicago
Bar from 1912 to 1929.

**WILLIAMSON, RAMSAY &
HOGE**
Title Insurance Building
433 S. Spring Street
Los Angeles, California

Dunn, White & Aiken
Sixth Floor, Syndicate Bldg.
Oakland, California

**HUSTON, HUSTON &
HUSTON**
Capital National Bank Building
Sacramento—California
Also Offices
Democrat Building
Woodland, California

NOLAND & SEGRETTI
Salinas National Bank Bldg.
Salinas—California
Equipped for investigations, adjustments, settlements
of claims, trial of all insurance cases in State and
Federal Courts in this territory.

Hugh A. Sanders Y. A. Jacques
SANDERS & JACQUES
920 Bank of America Building
San Diego, California
Fidelity & Cas. Co. of N. Y., Ocean Acc. & Guar.
Co. Trial of All Insurance Cases in State and
Federal Courts.
Equipped for investigation and adjustments in
surrounding territory.

**HADSELL, SWEET,
INGALLS & LAMB**
Financial Center Building—San Francisco
Partial Representation: Continental Cas. Co., Fidelity
& Cas. Co., Globe Ind. Co., Great Amer. Ind.
Co., London Guarantee & A. Co., Medical Prot. Co.,
New Amsterdam Cas. Co., Phoenix Ind. Co., Royal
Ind. Co. and various Life, Fire and Health and
Accident Companies.

CALIFORNIA (Cont.)

JOHN J. TAHENY
Hobart Building
San Francisco, California
Representing Associated Indemnity Corp.,
General Reinsurance Corp., and others.
Former vice-president and general counsel of Asso-
ciated Indemnity Corp., and Associated Fire &
Marine Ins. Co., San Francisco.

**THORNTON, MENZIES &
TAYLOR**
311 California Street
San Francisco, California
548 South Spring St.
Los Angeles, California
Refer to any insurance office in San Francisco.
Aetna, Continental, Caledonian, Home, Home In-
demnity. Others on request.

COLORADO

LEE, SHAW & McCREERY
1217 First National Bank Bldg.
Denver, Colorado
Company references given on request.
Equipped for investigations, adjustments and settle-
ments of all claims. Trial all insurance cases in
State and Federal Courts.

CONNECTICUT

**POND, MORGAN AND
MORSE**
39 Church Street
New Haven, Connecticut
United States Fidelity & Guaranty
Fidelity & Guaranty
General Accident and many others.

DELAWARE

**MARVEL, MORFORD, WARD
& LOGAN**
Delaware Trust Building
Wilmington, Delaware
Specializing in Insurance and Corporation
matters.

DIST. OF COLUMBIA

HUGH M. FRAMPTON
327 Southern Building
Washington, D. C.
Manufacturers Casualty Ins. Co.
Equipped for investigations, adjustments, settlement
of claims, fire, casualty, automobile, surety—trial of
all insurance cases, Maryland, District of Columbia
and Federal Courts.

GEORGIA

**ALSTON, ALSTON, FOSTER
& MOISE**
1219 Citizens & Southern Natl. Bank Bldg.
Atlanta, Georgia
Equipped for investigations, adjustments, settle-
ment of claims, trial of all insurance cases
State and Federal courts, Western Georgia.

**BRYAN, MIDDLEBROOKS
& CARTER**
LAW OFFICES
Suite 924
ATLANTA, GEORGIA
Citizens & Southern National Bank Building
Equipped for investigations, adjustments, settlement
of claims, and trial of all insurance cases in Georgia.

Hitch, Denmark & Lovett
17 Drayton Street
Savannah, Georgia
Representing American Surety Co. of N. Y., New
York Cas. Co., Continental Cas. Co., National Surety
Corp., and numerous others.
Equipped for investigations, adjustments, settlement
of claims, and trial of all insurance cases in State
and Federal Courts in Southern District of Georgia.

IDAHO

MARTIN & MARTIN
504-508 Idaho Building
Boise, Idaho
Fireman's Fund Insurance Company; Loyalty Group;
Ohio Casualty Insurance Company and others.
Equipped for investigation, adjustments and settle-
ment of all claims. Trial of all cases in State and
Federal Courts in Southern Idaho.

OTTO E. McCUTCHEON
288 Salisbury Building
Idaho Falls, Idaho
Standard Accident of Detroit, Fidelity & Deposit
and others.
Investigations, adjustments, and trial of all insur-
ance cases in State and Federal Courts—Northwestern
Idaho.

JONES, POMEROY & JONES
Central Building
Pocatello, Idaho
Loyalty Group, Central Surety & Insurance, Kansas
City, and General Group, Seattle.
Equipped for investigations and trial of all insur-
ance cases, State and Federal Courts, Southeastern
Idaho.

CHAPMAN & CHAPMAN
Burkholder Building
Twin Falls, Idaho
General Group of Seattle, Hartford Accident &
Indemnity and others on request.
Equipped for investigations and trial work in State
and Federal courts in south central Idaho.

ILLINOIS

Silber, Clausen, Hirsh & Woley
Attorney & Counselors
208 South La Salle Street
CHICAGO
Special Attention to the Law of
Fire Insurance and Taxation

LORD, LLOYD & BISSELL
Rm. 2460—135 South La Salle Street
Chicago, Illinois
Insurance defense—Casualty, Surety, Life &
Fire Lines.

CLARENCE W. HEYL
8th Floor Central National Bank Bldg.
Peoria, Illinois
Trial of Insurance cases: representing
MARYLAND, FIDELITY & CASUALTY
ROYAL, GLOBE, EAGLE, BANKERS
INDEMNITY AND OTHERS.

JOHN M. MITCHEM
101 South Broadway
Urbana, Illinois
OHIO CASUALTY
Equipped for investigation and adjustment of
claims.

INDIANA

HENRY & FUNK
Investigations—Adjustments—Trial Work
References on Request
501-7—130 E. WASHINGTON BLDG.
INDIANAPOLIS

Slaymaker, Merrell & Locke
Attorneys specializing in All Phases of
Fire, Marine, Life & Casualty
Insurance Litigation
751-766 Consolidated Building
INDIANAPOLIS

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

IOWA

DEACON, SARGENT & SPANGLER

915 Merchants Bank Building
Cedar Rapids, Iowa

Equipped for Investigations, Adjustments and Trial of All Insurance Cases

BRADSHAW, FOWLER, PROCTOR & FAIRGRAVE

Suite 510 Crocker Building
Des Moines, Iowa

Representing Continental Casualty—Loyalty Group—Hartford Accident and many others.
Equipped for investigations and adjustments of Insurance Claims.

PRICE, RIDER & KEEFE

State Bank Building
Fort Dodge, Iowa

Continental, General Accident, Western Automobile, and fourteen others.
Equipped for investigations.

BREESE & CORNWELL

First National Bank Building
Mason City, Iowa

Equipped for Investigations—Northern Iowa

A. R. STRONG

623 Davidson Building
Sioux City, Iowa

Equipped for investigations, settlement of claims, all insurance cases in State and Federal Courts.

KANSAS

TINCHER, RALEIGH & CUSHENBERRY

301-302 First National Bank Building
Hutchinson, Kansas

Insurance Companies represented: National Union Indemnity Co., Ocean Accident and Indemnity Co., Columbia Casualty Co., Metropolitan Casualty Ins. Co. (Loyalty Group), Commercial Casualty Co.
Investigations, Adjustment and defense trial work.

KELLER, MALCOLM & BURNETT

204-206 National Bank Building
Pittsburg, Kansas

Counsel for: Aetna Group, Employers Group, Standard Accident, Central Surety, United States Fire, Fireman's Fund and others.
Specializing in Insurance Law. Equipped for Trial of Cases, Investigations and Adjustments over South-eastern Kansas.

NORRIS, SMITH & JENKINS

Public Utility Bldg.
Salina, Kansas

Insurance Companies represented: Fidelity & Casualty, Fidelity & Deposit, Loyalty Group, American Surety, Hardware Mutual and many others.
Equipped for investigations, adjustments and trial of cases in Northwest Kansas.

Doran, Kline, Colmery, Cosgrove

903 National Bank of Topeka Bldg.
Topeka, Kansas

Equipped for investigation, adjustment, settlement and trial of Insurance business of all kinds in Kansas.

BLOOD & PROSSER

402 Schweiler Building
Wichita, Kansas

General Counsel Santa Fe Trail System, Traders & General American Fidelity and others. Investigations, adjustment of claims, and trial work South-west and Southwestern Kansas.

KENTUCKY

Davis, Boehl, Viser and Marcus

(Blakey, Davis and Lewis)

Kentucky Home Life Building
Louisville, Kentucky

Investigations, Adjustments and Trial of all Insurance Cases.

Woodward, Dawson & Hobson

Insurance Attorneys

615-24 Inter-Southern Bldg.
Louisville, Kentucky

LOUISIANA

COBB & JONES

840 Canal Bank Building
New Orleans, La.

General Counsel for Pan-American Petroleum & Transport Company and Penick & Ford, Inc., in southern states. Specializing in casualty and surety. Trial of all cases in State and Federal courts.

MARYLAND

WALTER L. CLARK

Roszel C. Thomsen
Clater W. Smith

Baltimore Trust Building
BALTIMORE - MARYLAND

MASSACHUSETTS

CRYAN, SHAW AND BRADLEY

33 Broad Street
Boston, Massachusetts

Counsel for numerous insurance companies. Names given on request. Equipped for investigation, adjustment and trial of all insurance cases in State and Federal Courts.

MILTON J. DONOVAN

31 Elm Street

Springfield, Massachusetts
Fire Companies Adjustment Bureau, Inc.
Trial of all insurance cases including casualty, fire and surety in State and Federal Courts.

MICHIGAN

SEABORG & RICE

Attorneys and Counselors

827 Penobscot Building
Detroit, Michigan

Randolph 5160

SCHULZ and KAY

Attorneys at Law

General Insurance Litigation Workmen's Compensation Trial Work
Technologist Service

Equipped to handle claims and investigations
David Stott Building Telephone
Detroit, Michigan Cherry 0618

EARL P. TROBERT

405-6 Dryden Building
Flint, Michigan

Phoenix Indemnity Company, Zurich-General Accident & Liability Insurance Company, Western Adjustment & Inspection Company and others.

NORRIS, McPHERSON, HARRINGTON & WAER

1107 Peoples Bank Building
Grand Rapids, Michigan

MICHIGAN (Cont.)

ROSENBERG & PAINTER

891-6 Reynolds Bldg.

Jackson, Michigan

Represent: Zurich, London & Lancashire, Western & Southern, Provident Life & Accident, Michigan Mutual, Ohio Casualty, Citizens Mutual and others.
Investigations and adjustments in central and southern Michigan.
Trial of all insurance cases.

FOSTER & CAMERON

709 American State Savings Bank Building
Lansing, Michigan

Aetna Group and Others
Trial of Cases, Investigation and Adjustments

NASH & NASH

602 Second National Bank Building
Saginaw, Michigan

Equipped for investigations, adjustments, settlement of claims and trial of insurance cases in Northeastern Michigan.

MINNESOTA

BALDWIN, HOLMES, MAYALL & REAVILL

900 Alworth Building
Duluth, Minnesota

Travelers' Group, Mass. Bonding & Insurance Co., Pacific Mutual Life Insurance Co.

GUESMER, CARSON & MacGREGOR

1218-1232 Roanoke Building
Minneapolis, Minnesota

SEXTON, MORDAUNT, KENNEDY & CARROLL

Trial of insurance cases in Federal and State Courts in Minnesota.
Investigations, adjustments, and settlement of claims.

Pioneer Building Security Bldg.
St. Paul, Minn. Minneapolis, Minn.

MISSISSIPPI

WELLS, WELLS AND LIPSCOMB

9th Floor Lamar Life Building
Jackson, Mississippi

Representing Hartford Acc. & Ind. Co., Fireman's Fund Ind. Co., Continental Cas. Co., Market Service, Inc., Loyalty Group and many others on request.
Equipped for investigations, adjustments, and trials all over state.

WILBOURN-MILLER & WILBOURN

Citizens National Bank Bldg.
Meridian, Mississippi

Equipped for investigations, adjustments, settlement of claims, trial of all insurance cases in State and Federal Courts in Eastern Mississippi.

MONTANA

M. J. LAMB

Billings, Montana

Massachusetts Bonding and Insurance Co.
Trinity Universal Insurance Co.
Aetna Casualty & Surety Co.
Fully equipped to handle investigations, and trial work in state and federal courts.

CORETTE & CORETTE

619-621 Hennessy Building
Butte, Montana

American Surety Company; New York Casualty Company; Sun Indemnity Company.
Equipped for investigations, adjustments, trial of all insurance cases in Butte, Helena and western Montana.

MONTANA (Cont.)

HALL & McCABE

414 Strain Building
Great Falls, Montana

Company representation upon request. Equipped for investigations, adjustments and trial of insurance actions in State and Federal Courts, in North & Northwestern Montana.

MERLE C. GROENE

Lewistown, Montana

Standard Accident Company of Detroit, All-State Insurance Company, Chicago. Others on request.

NEBRASKA

MAYER & MAYER

116½ West Third Street
Grand Island, Nebraska

Massachusetts Bonding & Insurance Company—others on request.
Equipped for Investigations, Adjustments, Settlement of Claims, Trial of all Insurance cases in State and Federal Courts in Central Nebraska.

STEWART, STEWART & WHITWORTH

1412 Sharp Bldg., Lincoln, Nebraska
Trial of insurance cases in Federal and State Courts in Nebraska.
Investigations, adjustments and settlement of claims.

ROSEWATER, MECHAM, SHACKELFORD & STOEHR

1028-40 City National Bank Building
Omaha, Nebraska

Representing 35 Insurance Companies—Kemper Group—Loyalty Group—Sun—Home—Liberty of Boston—American Surety—Security of Chicago—Employers of Wausau—Associated Ind. and others.
Complete trial and claim service over Nebraska and Western Iowa.

NEW MEXICO

RODEY & DICKASON

1st National Bank Building
Albuquerque, New Mexico

State counsel for various life, casualty and fire insurance companies. Trial of cases in all courts of New Mexico, State and Federal. Insurance claim references given on request. Adequately equipped for adjustments and investigations.

WILSON & WATSON

Sena Plaza
Santa Fe, New Mexico
American Surety Co. of New York, Maryland Cas. Co., Trial of Cases in all courts of New Mexico, State and Federal.
Members of Firm: John O. Watson
Francis C. Wilson John T. Watson

NEW YORK

GEORGE J. HATT, II

Chamber of Commerce Building
Albany, New York

Equipped for investigations, adjustments, settlement of claims and trial of all insurance cases in State and Federal courts.

LEE, LEVENE & McAVOY

TRIAL LAWYERS
310 Security Mutual Bldg.
BINGHAMTON, NEW YORK

Insurance attorneys. Especially equipped to handle investigations, adjustments and litigation over central New York.

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

NEW YORK (Cont.)

WILCOX & VAN ALLEN
1008 Liberty Bank Building
Buffalo, New York

CLARENCE E. MELLEN
51 Maiden Lane
New York, N. Y.
Mass. Bonding & Insurance Co.
New Amsterdam Casualty Co.
United States Casualty Co.
Trial of all insurance and surety cases in State and Federal Courts. Equipped for investigations.

BURNS & BURNS
502 Wilder Building
Rochester, New York
National Surety Corp.—American Surety Co.
Equipped for investigations, adjustments, settlement of claims and trial of all insurance cases in state and federal courts.

MELVIN & MELVIN
304-14 First Trust & Deposit Building
Syracuse, New York
Royal—Eagle—Century
Equipped for investigations, adjustments, settlements and trial of all insurance cases—State and Federal Courts.

DUNMORE, FERRIS & BURGESS
First National Bank Building
Utica, New York
Continental, Liberty, Norwich, Fidelity & Deposit
Equipped for investigations, adjustments, settlements and trial of all insurance cases in State and Federal Courts.

NORTH CAROLINA
SMATHERS, MARTIN & McCOY
Jackson Building
Asheville, North Carolina
Representing Aetna, Travelers, Ind. Ins. Co. of N. A., American Surety Co., and many others.
Equipped for investigations, adjustments and settlement of all claims. Trial of all cases in State and Federal Courts in Western North Carolina.

EDGAR D. BROADHURST
Banner Building
Greensboro, North Carolina
Equipped for adjustments. Trial of insurance cases in State and Federal Courts.

BURGESS, BAKER & ALLEN
The Raleigh Building
Raleigh, North Carolina
Sun. Ind. Co., Royal Ind. Co., Globe Ind. Co. and others.
Investigations, adjustments and trial work in Central and Eastern North Carolina.

OHIO

SIEGFRIED GEISMAR
2205-8 Carew Tower
Cincinnati, Ohio
Automobile Mutual Insurance Co. of America, Providence, R. I.; Mercer Casualty Co., Celina, Ohio; Lloyds of Minneapolis; Builders & Manufacturers Mutual Casualty Co.; Employers of Wausau and others on request.

OHIO (Cont.)

JOHN H. McNEAL and HARLEY J. McNEAL
582 Auditorium Bldg., 1387 E. 8th St.
Phone Main 1926 CLEVELAND
Attorneys-at-Law
Facilities for Investigations, Adjustments and Trial work over Northern Ohio.

SANDLER, ELLIOTT & ASHBAUGH
414 Outlook Building
Columbus, Ohio
Representing Standard Accident, Massachusetts Bonding and others.
Investigations, adjustments, trial of all insurance cases.

CABLE & CABLE
Masonic Building
Lima, Ohio
Representing American Surety, Fidelity & Cas. of N. Y., General Acc. Fire & Life, Phila.
Trial of all insurance cases in Federal and State Courts. Equipped for investigations.

YAGER, BEBOUT & STECHER
303 Second National Bank Building
Toledo, Ohio
American Surety Company, Phoenix Insurance Company of Hartford, Conn., and Massachusetts Bonding & Insurance Company.

RUSSELL RAMSEY
801 Feick Building
Sandusky, Ohio
Equipped for investigations, adjustments, and settlements of claims.
Trial of all insurance cases.
Bank reference: Western Security Bank (Counsel).

L. M. CAILOR AND J. B. CUNNINGHAM
600-603 Union National Bank Building
Youngstown, Ohio
Equipped for investigations, adjusting, trial of all insurance cases in State and Federal Courts.

OKLAHOMA

GEORGE M. NICHOLSON
Perrine Building
Oklahoma City, Oklahoma
Formerly Chief Justice of Supreme Court of Oklahoma.
Trial of all insurance cases in State and Federal Courts.

THURMAN & THURMAN
504-508 Braniff Building
Oklahoma City, Oklahoma
Representing F. & C. New York; F. & D. Baltimore; Mass. Bonding and many others given on request. Equipped for investigation, adjustments, settlement of all insurance claims. Trial of all insurance cases.

OREGON

HOWARD BERGMAN
Baker Loan & Trust Bldg.
Baker, Oregon
Equipped for investigations, trial of Insurance cases. All State courts.

OREGON (Cont.)

IMMEL & EVANS
First National Bank Building
Eugene, Oregon
Companies represented: U. S. F. & G. Co., Royal Group, Mass. Bonding & Ins. Co., and others on request. Equipped for investigation, adjustment and trial all insurance cases, State and Federal Courts, this territory.

G. M. ROBERTS WM. M. McALLISTER
Madford National Bank Building
Medford, Oregon
Travelers, Indemnity Ins. Co. of North America, American Motorists Ins. Co., Pacific Indemnity Co., General Accident F. & L. Assur. Corp., Ltd.
Investigations, adjustments and trial of all insurance claims in southern Oregon and Stikys and Del Norte Counties, Cal.

Collier, Collier & Bernard
Suite 1220 Spalding Building
Henry E. Collier John A. Collier
E. F. Bernard
Portland, Oregon

DEY, HAMPSON & NELSON
800 Pacific Building
Portland, Oregon
Continental Cas. Co., American Motorist, Pacific Greyhound Lines and others.

SHEPPARD & PHILLIPS
1208 Public Service Bldg.
Portland, Oregon
U. S. F. & G., Lloyds of London, others on request. Investigations & Adjustments.

SOUTH CAROLINA

THOMAS-LUMPKIN & CAIN
1000-7 Central Union Building
Columbia, South Carolina
Specializing in Fire, Casualty, Surety and Life.
Trial of all cases.
Equipped for investigations and adjustments all over South Carolina.

SOUTH DAKOTA

BAILEY & VOORHEES
Charles O. Bailey (1869-1928)
John H. Voorhees Melvin T. Woods, Jr.
Theodore M. Bailey Roswell Bottom
Howell L. Fuller
BAILEY-GLIDDEN BUILDING
SIOUX FALLS
INSURANCE PRACTICE

TENNESSEE

AUST, McGUGIN & SPEARS
American Trust Building
Nashville, Tennessee
Representing Firemen's Fund, Lumbermans, American Motorist, and many others.
Equipped for investigations, adjustments, trial of all insurance cases in State and Federal courts in Central Tennessee.

TEXAS

WAGSTAFF, HARWELL WAGSTAFF & DOUTHIT
Attorneys at Law
Abilene, Texas
Equipped to handle adjustments, investigations, settlement of claims and trial of all insurance cases.

TEXAS (Cont.)

HART, PATTERSON AND HART
824-830 Littlefield Building
Austin, Texas
Representing F. & D., Baltimore, Zurich Ins. Co., Home Ins. Co. of N. Y., American National Ins. Co., and others on request.
Equipped for adjustments in Central Texas and trial work in all courts—State and Federal.

KING & RIENSTRA
288 Gilberts Building
Beaumont, Texas
Representing Employers Group, Boston, others on request.
Trial of all insurance cases State and Federal Courts Eastern District of Texas.
Equipped for investigations.

HUBBARD, DYER & SORRELL
City National Bank Building
Corpus Christi, Texas
References: Maryland Casualty Company, American Fidelity & Casualty Company, Traders & General Insurance Company.
Specializing in Insurance Law
Equipped for Investigation and Claims

COKE & COKE
First National Bank Building
Dallas, Texas
Henry C. Coke
1856-1933
Alexander B. Coke Henry C. Coke, Jr.
Boyer J. Coke Julian B. Mastis
Richard W. Coke Thomas G. Murman
John N. Jackson

SANER, SANER & JACK
Twentieth Floor Republic Bank Bldg.
R. E. L. Saner
Jno. C. Saner
Wm. H. Jack, Jr.
DALLAS, TEXAS

Cantey, Hanger & McMahon
15th Floor Sinclair Building
FORT WORTH, TEXAS
Samuel B. Cantey Samuel B. Cantey, Jr.
(1883-1924) Alfred McKnight
William A. Hanger Willis A. Johnson
Mark Mahon B. K. Hanger
W. D. Smith
Investigations, Adjustments, Trial All Cases

COLE, COLE, PATTERSON & BELL
Citizens State Bank Building
Houston, Texas
Galveston, Texas
Standard Accident Insurance Company of Detroit, Chicago Lloyds.
United States Casualty Co. of New York City, etc.
Equipped for investigation, adjustment, trial of all insurance cases and oil cases.

BOYLES & ATKINSON
First National Bank Building
Houston, Texas
Edward B. Boyles
Norman Atkinson
M. & McCordoch
B. F. Gibbons
Willard L. Russell

SIMMONS & ARNOLD
824-39 First National Bank Building
Houston, Texas
New Amsterdam Cas. Co., Allman Fire of Pittsburgh, Cravens-Dargan, American Central Fire, St. Paul Fire & Marine.

(Continued next page)

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

TEXAS (Cont.)

BLEDSOE, CRENSHAW & DUPREE

First National Bank Building
Lubbock, Texas
Representing U. S. F. & G., F. & D., Maryland Casualty, American National Ins. Co., Amiable Life Ins. Co., and many others.
Trial of all insurance cases in all courts. Equipped for Investigations—Adjustments—Settlement of claims in plain Country.

BIRKHEAD, BECKMANN, STANARD & VANCE

800-811 Gunter Building
San Antonio, Texas

JOHN McGLASSON

808-9 Amicable Building
Waco, Texas

Equipped for investigations, adjustment and settlement of claims and trial of cases in State and Federal Courts.

UTAH

Stewart, Stewart & Carter

1105 Continental Bank Building
Salt Lake City, Utah

Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

VIRGINIA

W. SHEPHERD DREWRY

241-244 Law Building
Norfolk, Virginia
Indemnity Insurance Co. of N. A., United States Fidelity and Guaranty, Bankers Indemnity Co., Fire Association of Phila., American Indemnity Co., All State Insurance Co.
Equipped for investigations, adjustments and trial of all insurance matters in State and Federal Courts.

THOS. O. MOSS

State-Planters Bank Bldg.
RICHMOND, VIRGINIA
Loyalty Group, American Fidelity & Casualty, Royal, Globe Indemnity and others.
Equipped for investigation, adjustments and trial work.

T. RUSSELL CATHER

34 Rouss Ave.
Winchester, Virginia
New York Life, Maryland Casualty, American Surety Co.
Equipped for investigations, trial of all cases, State and Federal Courts and Commissions.

WASHINGTON

ALLEN, FROUDE & HILEN

Northern Life Tower
Seattle, Washington
U. S. F. & G., Northwestern Mutual Life Ins. Co. Others on request.

EGGERMAN & ROSLING

1824 Exchange Bldg.
Seattle, Wash.
United States Fid. & Guar. Co., Maryland Casualty Co., and others.
Trial of all insurance cases in State and Federal Courts in western Washington.

WASHINGTON (Cont.)

N. A. PEARSON

403-94 Fourth & Pike Bldg.
Seattle, Wash.
Associated Indemnity Corp., and London Guarantee & Accident Co.
Equipped for investigations and adjustments and trial of all insurance cases in State and Federal Courts.

ROBERTS, SKEEL AND HOLMAN

Insurance Building
John W. Roberts W. B. McKelvy
E. L. Skeel Wm. Paul Uhlmann
Tom W. Holman Harry Henke, Jr.
Frank Hunter W. E. Branson
Tyre H. Hollander Robert H. Grass
Laurence Booth, Jr.
SEATTLE

DANSON, LOWE & DANSON

Paulsen Bldg.
Spokane, Washington
Maryland Casualty Co., U. S. F. & G. Co., and others on request.
Investigations and trial of all insurance cases in state and federal court.

PEDIGO, WATSON & GOSE

218 First National Bank Bldg.
Walla Walla, Washington
American Automobile of St. Louis, Great Lakes Casualty Company of Detroit. Others on request.
Equipped for investigations, adjustments, trial of all insurance cases, State and Federal Courts, South-eastern Washington.

BONSTED & NICHOSON

Miller Building
Yakima, Washington
Loyalty Group, Pacific Indemnity, & others on request. Equipped for investigation and adjustments, trial of all insurance cases in federal and state courts.

WEST VIRGINIA

PAYNE, MINOR, RAY, MAIER & DAVIS

Kanawha Valley Building
Charleston, West Virginia
New York Casualty, American Surety, Zurich, American Motorist and others on request.
Equipped for investigations and adjustments. Trial of all insurance cases in State and Federal Courts.

VINSON, THOMPSON, MEEK & SCHERR

First Huntington National Bank Building
Huntington, West Virginia
Hartford Indemnity, General Accident, U. S. F. & G., U. S. Guarantee (Chubb & Son), Inter-Ocean Casualty Company (General Counsel), and others on request.
Investigations, adjustments and trials—State and Federal Courts.

RUSSELL, HITESHEW & ADAMS

285½ Fourth Street, (Box 510)
Parkersburg, West Virginia
Employers' Group—The Fidelity & Casualty Company of New York—Glens Falls Indemnity and others furnished on request.
Equipped for investigations and adjustments. Trial of all insurance cases in State and Federal Courts.

NESBITT & NESBITT

808 Riley Law Building
Wheeling, W. Virginia
Maryland Casualty Co., Travelers, Fidelity & Deposit of Maryland.
Equipped for investigation and adjustment. Trial of insurance cases in all courts.

WISCONSIN

KELLEY & BOERNER

32 South Main Street
Fond du Lac, Wisconsin
Equipped for Investigations and Adjustments. Zurich, New Amsterdam and others.

WISCONSIN (Cont.)

STREHLOW & CRANSTON

510 Northern Building
Green Bay, Wisconsin
Equipped for adjustments, investigations and trial of cases.

GRELLE & SCHLOTTHAUER

105 Monona Avenue
Madison, Wisconsin
Lumbermans Mutual Casualty Co., Zurich, Pearl Assurance Co., Ltd.
Equipped for investigations and adjustments. Trial of all cases in State and Federal Courts and before commissions.

BLOODGOOD, STEBBINS & BLOODGOOD

212 W. Wisconsin Ave.,
Warner Building
Milwaukee, Wisconsin

WOLFE & HART

First Wisconsin Nat. Bank Bldg.
Milwaukee, Wisconsin
Special attention to the Law of Fire Insurance

POWELL & SPROWLS

11 First National Bank Building
Superior, Wisconsin
NEW YORK CASUALTY COMPANY, AMERICAN SURETY COMPANY, MARYLAND CASUALTY COMPANY—others on request.
Equipped for investigations and adjustments and trial of all insurance cases.

WYOMING

JAMES A. GREENWOOD

Majestic Building
Cheyenne, Wyoming
Former Attorney General, State of Wyoming. Trial of all Insurance Cases in State and Federal Courts.

Lonabaugh & Lonabaugh

172 North Main Street
Sheridan, Wyoming
American Surety Company; New Amsterdam Casualty Co.; Continental Casualty Co.; Zurich Insurance Company; Employers Group.
Equipped for investigations—Trial of all insurance cases in Northern Wyoming.

We will appreciate it if you will mention The National Underwriter when writing advertisers.

"Jacksonville's Leading Hotel"



THE SEMINOLE

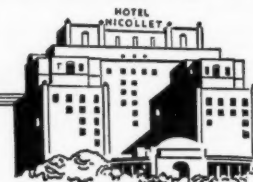
JACKSONVILLE, FLORIDA
CHAS. B. GRINER, Manager

A human, home-like institution where you will find your individual comfort and entertainment a matter of great importance.

A steel fireproof building located in the heart of the city.

Every Room with Combination Tub and Shower Bath, Radio, Electric Ceiling Fan, Slat Door for Summer Ventilation, Comfortable Beds with Mattresses of Inner Spring Construction and Individual Reading Lamps.

Biggest HOTEL VALUE in Minneapolis



You get more for your money at this big, modern hotel. That's why so many travelers now select the Nicollet.

600 luxurious rooms with rates as low as \$2. Three fine restaurants serving popular priced food. Close to everything in the city. Stop at the Nicollet and enjoy the best in Minneapolis.

HOTEL NICOLLET

MINNEAPOLIS
Neil R. Messick, Mgr.
National Hotel Management Co., Inc.
Ralph Hitz, President

GET new business • RENEW old business • DISARM competition
How? Ask about The Fire, Casualty & Surety Bulletins
420 East Fourth Street Cincinnati, Ohio

MOTOR INSURANCE NEWS

Collision Loss Experience Up New Auto Mortgage Clause

Some Companies Feel That an Advance in Rates Would Be Quite Appropriate Now

NEW YORK, Oct. 21.—Unless there is marked improvement in automobile collision loss experience during the remaining months of the year, companies hold a rate advance for the line would be in order for 1937. The increase in claims, according to general report, is not confined to any particular section. The cars involved are largely those in the lower price brackets. The majority of accidents, apparently, occur outside municipal limits, where traffic is unregulated, and the inducement to "let her out" is hard to resist. Not only are accident claims more numerous than in former years, but the resultant car damage is more severe, losses of from \$200 and \$300 per car being quite common. There does not appear to be any moral hazard attaching, the assured in virtually every instance being of such character as to warrant granting indemnity. How to induce greater care in driving on the part of motorists, especially when approaching cross-roads and in making turns, is one of the many problems troubling underwriting minds now.

San Francisco Group Elects

R. A. McGuire Named as New President of Automobile Conference of Northern California

SAN FRANCISCO, Oct. 21.—Raymond A. McGuire, Pacific Employers, was elected president of the Automobile Conference of Northern California at the annual meeting here, succeeding Neal Weaver of Swett & Crawford. Mr. McGuire served as vice-president last year. Carl W. Brennan, Northwest Casualty, formerly secretary, was elected vice-president. C. R. Taylor, Gulf, was elected secretary.

F. M. Ludwick Attends

Directors, in addition to Messrs. Weaver and McGuire, are H. B. Humphry, Associated Indemnity Corp.; R. W. Chandler, American Motorists, both reelected, and Chase Garfield, General of Seattle.

Frank M. Ludwick, recently appointed general manager of the West Coast Automobile Insurance Conference, with headquarters in Los Angeles, attended the meeting and participated in the discussion, which centered mainly on fleets and fleet rates.

Bank Cuts Auto Purchase Interest Factor Below 6%

The Leavenworth Savings & Trust Co., Leavenworth, Kan., which has been engaged for some time in the financing of the purchase of new automobiles, announces a reduction in the interest factor that is applied to 5 percent. This is a significant development. Those who have been watching the progress of the banks in this field have been predicting that these institutions would soon cut below the prevailing 6 percent interest factor which produces about 11 percent simple interest. The Leavenworth bank made the announcement in a prominently displayed advertisement in the Leavenworth "Times." This advertisement emphasized the fact that the bank is "home institution" and concluded with the statement: "We have found that our citizens wish to keep their money at home by patronizing home institutions."

Endorsement for Individual Policies Protects Mortgagee Against Fault of the Purchaser

NEW YORK, Oct. 21.—An automobile mortgage clause for attachment to individual policies covering cars that are financed but where the purchaser places his own insurance has now been promulgated by the National Automobile Underwriters Association. This is the instrument that the agents who are seeking to recapture financed automobile business, have been seeking for some time.

Some company people have felt that there was not much need for such a clause, because the good companies are very liberal in making automobile loss adjustments. However, the banks and other financial institutions that have recently entered the automobile financing field have been demanding such an endorsement and it is to meet this demand and make the way easier for the agent to regain this business that the endorsement was issued. It protects the mortgagee in the event of breach of warranty or other fault on the part of the purchaser that might otherwise void the coverage.

This clause for attachment to individual policy serves the same purpose that the master policy does that is issued direct to a financing institution that handles the insurance itself on the cars that it finances.

Collision Coverage Involved

DETROIT, Oct. 21.—A certificate from the Michigan department authorizing an out-of-state fire company to do business in Michigan does not carry with it the privilege of writing collision insurance. Judge Watts of common pleas court ruled in dismissing a suit of the Granite State Fire against Raymond Maier of Detroit.

The Granite State Fire has insured Samuel Whitfield, an Oakland county deputy sheriff, against damage to his car by collision. Whitfield and Maier collided. Whitfield's damage was paid by the company, which took an assignment of any claim he might have for damages against Maier, and under this provision brought suit against Maier in Detroit.

Lumby Heads Adjusters

Herman Lumby of California Agencies has been elected president of the Automobile General Adjusters Association of San Francisco, succeeding Al Welch, Travelers. Francis Seitz, Pacific National, is vice-president, and F. L. Ingersoll, National Automobile Theft Bureau, was reelected secretary for the 13th time. The annual banquet is being held Friday of this week.

Smoke Damage Cover Added

Eight-point Supplemental Contract Goes in Effect About Nov. 1 Replacing Old Form

SAN FRANCISCO, Oct. 21.—Coverage against smoke damage has been added to the "seven-point" supplemental contract form for use in Pacific Coast territory. The new "eight-point" supplemental contract form which covers against explosion, riot, aircraft, motor vehicle damage, hail, windstorm and smoke damage continues to include waiver of the fallen building clause, which is not used in the eastern territory. The latter contract is being prepared and will be put in effect about Nov. 1, superseding the "seven-point" contract. In addition to rearranging the old form in more attractive man-

ner with additional "sales appeal," the new form may be used in either dwelling or mercantile risks where formerly it was necessary to have separate forms. Another advantage is that it groups coverage and exclusions together.

It is expected the Pacific Board shortly will issue rates and rules for the new form in a separate booklet and rates and rules now applying to the "seven-point" contract in the tariff will be withdrawn. The matter of adapting these rates and rules for other jurisdictions is being considered by various advisory committees, including the Arizona Advisory Committee, Oregon Conference Committee and Washington Surveying & Rating Bureau, and it is expected they will be incorporated in the rates and rules in those territories as soon as proper tariff changes can be made.

The new form is to be numbered 525 with the provision relating to smoke damage as follows:

Smoke Damage—The term "smoke" shall be held to mean smoke due to a sudden, unusual and faulty operation of any stationary heating furnace and/or heating plant, while contained in the premises owned or occupied by the insured and described in this policy. Exclusions—this company shall not be liable hereunder for any loss due to damage caused by: (1) cumulative damage or depreciation resulting from the operation of the stationary heating furnace and/or heating plant; (2) smoke from any open fire place; (3) smoke from any furnace or stove used for cooking or used in any process other than heating the building.

A number of forms which heretofore have not applied to Pacific Coast territory in its entirety have been adopted by all states on the Pacific Coast, including Arizona. Among these are: No. 183, the January, 1936, dwelling house and private garage and/or private stable form (buildings only); No. 184, January, 1936, dwelling house form (buildings and contents); No. 293, January, 1936, household furniture form (in dwelling house only); No. 106, June, 1936; cease operations or shut down permit for seasonal risks only; and No. 302-A, June, 1936, incubator and brooder operator permit; with the exception that form 302-A has not yet been adopted for use in Oregon.

Four Mutuals Make Own Rates

BOSTON, Oct. 21.—The Mutual Fire Insurance Rating Bureau, organized by four of the larger mutual fire companies to make rates on all types of risks in Boston, opened here this week. Its service will be available to all companies, and if conditions make such a move desirable its activities eventually will be extended throughout New England, the management states.

The companies in the organization are: United Mutual Fire of Boston, Minnesota Implement Mutual Fire of Owatonna, Hardware Dealers' Mutual Fire of Stevens Point, Wis., and Hardware Mutual Fire of Minneapolis. For the present it will function under a temporary board of governors, with L. A. Mingenbach, president Hardware Dealers' Mutual, as chairman, and with C. E. Ringquist, secretary United Mutual Fire as secretary.

These are the four companies that recently announced they were cutting dwelling rates in Boston 10 percent and were organizing their own rating bureau. The cut in dwelling rates was pure strategy inasmuch as these companies have practically none of that class of business in Boston. The dwelling rate cut and independent rating bureau matters were embraced in a report given to Commissioner De Celles of Massachusetts in behalf of the mutual committee that was named after the commissioner had initiated a rate cut crusade. The stock company committee has not yet reported.

Manager of the bureau is Elisha P. Gould, who has been connected for many years with the engineering department of the Boston Board.

Sparkling Features Found in the Missouri Fight

Insurance continues to be a racy issue in the Missouri political campaign.

L. C. Stark, Democratic candidate for governor, in a speech at Boonville, stated he was very friendly toward fraternal societies and if elected he will not appoint any man "who will not give them or any other insurance concerns a fair deal." Whether that meant he would not reappoint Superintendent O'Malley, he refused to say. Mr. O'Malley has been crusading against the fraternal societies and whether he regards Mr. O'Malley's activities as constituting "a square deal towards the fraternalists" he did not say.

J. W. Barrett, Republican nominee, also kept the issue to the fore. He attacked Mr. O'Malley for bringing suit for back taxes in Missouri against the fraternalists to collect some \$22,000,000. He censured the superintendent particularly for having made a deal with James P. Aylward of Kansas City to prosecute the actions and recover 25 percent for himself. That means that if the fraternalists should have to pay \$22,000,000 Aylward would get \$5,500,000. This would be in addition to the \$100,000 or more he collected from representing the insurance department in another insurance case in St. Louis, according to the Republican nominee.

C. F. Westcott, head of the Fraternal Protective Association of Missouri, announces that opposition to Stark has been withdrawn.

Statement Is Given

"In view of the favorable attitude publicly expressed by Jesse W. Barrett and Lloyd C. Stark," the communication states, "the fraternal societies feel there is no longer any need for their participation in the current campaign, and accordingly, no further action will be taken therewith by the Fraternal Protective Association or fraternal societies operating in Missouri."

Stark subsequently asserted no secret promise was linked to the fraternalists' withdrawal from political campaign.

"I have made no secret pledge or agreement with fraternal organizations," Stark said, "but their action has been voluntary and based entirely upon my public statements."

Will Hirth, editor of the "Missouri Farmer," who was defeated for the Democratic nomination for governor at the primary election, has continued his attacks on Mr. O'Malley, whom he accuses of "playing the role of Santa Claus for the insurance companies, agents and lawyers," adding that he regarded Mr. O'Malley as "one of the worst public officials Missouri ever had."

In a statement in his farm publication he reviews the fire insurance rate litigation in which he says the companies received a "sound thrashing" in refusing to abide by the 10 percent reduction order of Superintendent Hyde in 1922.

"In view of the court decisions," Hirth writes, "it seems to me that you not only acted without the slightest vestige of authority in your so-called 'compromise,' but that under the decisions the policyholders can force a collection of the 80 percent which justly belongs to them, and which you have bargained away to the companies, agents and lawyers."

Hirth characterized the lawyers fees in the rate case "the greatest buzzards' feast of the kind in the history of the state." He called upon Mr. O'Malley to state what disposition is to be made of the 80 percent of the impounded premiums in the 16 2/3 percent rate increase case which will not go to the policyholders under the compromise.

C. Cook Shaw, formerly in the insurance business with his father, Len Shaw, at Mayfield, Ky., and later manager of the Brown & Martin agency, Louisville, has opened an agency at 1107 Starks Building, and has made application for membership in the Louisville Board.

Crop Insurance Seems Nebulous

(CONTINUED FROM PAGE 4)

ards encountered by soil tillers in western Kansas and western Nebraska, the Panhandle of Texas, and similar regions where the rainfall is so scanty and uncertain that crop failures are frequent. Farmers in the favored states maintain that nature never intended the dry plains of the mid-west and southwest to be cultivated, but instead designed for cattle grazing. The soil, though unsuited to raising grain, yet is able to grow rough grasses for cattle consumption.

Sympathetic with the desire of farmers in the drouth stricken areas to get assurance from some source of guaranteed return for their arduous labor each year, companies stand ready to cooperate with any government agency in so far as they can in making effective whatever plan the federal agency for supplying crop insurance may propose. In so far as private carriers are concerned, however, there is as little prospect of assuming such risks as there is of their writing flood insurance.

PLAN LONG WAY OFF

BY E. S. BANKS

PHILADELPHIA, Oct. 21.—After listening to government officials and mutual men, in on and off the record talks, at the convention of the National Association of Mutual Insurance Companies, one gathers the rather firm opinion that crop insurance is a long way off from materialization.

There is no question but that with all the publicity on the subject from Washington and from both presidential nominees, crop insurance was by far the most important topic to come up before the mutual gathering. The small farm mutual men were worried that the advent of the government in the field

would mean their complete elimination from the insurance picture. But their fears, at least at this time, were proved groundless.

Government publicity men had given out stories in Washington that the complete government program for all-risk crop insurance would be expounded in Philadelphia. Reporters began to sense from the beginning that all was not what it was reported when Farm Credit Administration and Agriculture department officials ducked every question on the subject. After Roy Green, who was to have propounded the government's program, finished his address in which he merely discussed the early history and the problems confronting the subject, he was taken to the press room where he was grilled by a dozen or so newspapermen.

Embarrassing Question Asked

Undoubtedly the most embarrassing question asked Mr. Green was the one whether he believed that the President actually favored crop insurance or whether he thought it was all political hokey. Mr. Green ignored the question the first time it was asked but, when finally pinned down, remarked: "You'd better ask the President that question in person."

However, this reporter must frankly admit that he believes the various AAA officials were really sincere regarding the need for crop insurance. At the same time, it must also be stated that they were just as frank in admitting that they had no idea as to when the plan would be put into operation.

The present status of crop insurance is almost the same that it was when it was first broached in Congress in 1922. The President has appointed a committee of five to study the question and to recommend a plan to Congress next year

for adoption. This committee plans to hold public hearings with insurance groups and farm leaders.

The impression gathered by newspapermen was that the government, no matter what plan or program finally is adopted, has no intention of having an entire crop insured. Instead, the intention appears to be toward a very limited coinsurance, one that will merely cover the farmer for his actual expenses in planting his crops so that in the event of drouth he will have the necessary funds to purchase his seed for the following season without having to go into debt.

The plan, too, appears to be for rates based upon the individual experience of each farm rather than upon the county average. This is a radical departure from rate-making for other forms of insurance, but AAA officials made it plain that they believed crop insurance to be the most difficult of all lines of insurance and one that should be treated differently.

Not to Go After Two Lines

The AAA officials also made it plain that the government had no intention of going after the hail and windstorm business of the farmer. As Mr. Green pointed out, both in his convention speech and in talking with reporters, the coverage under the proposed blanket all-risk insurance will be so small as to make the wise farmer secure additional hail and windstorm insurance from his regular insurance company.

Roy Chase, the newly elected president of the National Association of Mutual Insurance Companies, discussing crop insurance, asserted he believed the matter was "not a matter of legislation"; that the government could not, and should not, run the business; that it was something that should be handled by the various farm mutuals for their respective localities. He said that there was a need for the coverage.

However, many of the farm mutual men disagreed with Mr. Chase. While admitting the need for crop insurance, they pointed out that the farm mutuals do not have the necessary financial strength to write this coverage. Some even went so far as to say that no insurance company was strong enough to write the business.

PAST EXPERIENCE

Now that crop insurance is a national issue, much interest is being displayed in the experience of the Hartford Fire and Home in this field immediately following the war.

The Hartford Fire went into the business in a rather extensive scale in 1918. It discontinued the business in 1923. The Home started writing crop insurance in 1920 and quit it in 1921. The Home had premiums in each of those years of about \$100,000 and had losses of \$105,000 and \$95,000 the second year.

The Hartford Fire had its most disastrous experience in 1920 when premiums amounted to \$1,700,000 and losses \$4,500,000.

According to those who remember that period, the biggest loss came as a result of the collapse in prices of farm products. The Hartford started by guaranteeing that production would equal so many bushels per acre at a certain price per bushel. That is, it guaranteed not only the volume of the crop but the market price. At that time wheat was selling for \$2.25 a bushel. The business was therefore written at a time when prices were at a maximum.

Later the plan was revised so that the market price was not guaranteed, but only the volume of production. It was all risk coverage providing indemnity, except on account of poor husbandry. As a practical matter, the company probably paid out a good sum for poor husbandry because of the difficulty of distinguishing causes of loss.

Some of the experts at that time felt that the proper course was to issue insurance in an amount covering only

New Indiana Head



DEAN H. SWADENER

Dean H. Swadener, who was elected president of the Indiana Association of Insurance Agents at its annual meeting at Marion, is assistant secretary and manager of the insurance department of the First Trust & Savings Bank of Mishawaka. He has long been active in the Indiana association and served as chairman of its board of directors the past year.

about half of the normal production. However, this was not done. The farmer could purchase insurance protecting him against loss.

Due to the fact that the heavy loss of the Hartford was suffered on account of the price collapse, some express the belief that crop insurance could be written where there is not a guarantee of the market price and where the farmer could not purchase protection up to the full amount of his crop expectation. Practical insurance men, however, say that crop insurance is absolutely unwritable. They say that farmers in localities where there is a crop failure for deficiency in say one in every 10 years, will not purchase the insurance. The only ones that will buy it are those that have three or four failures out of every five plantings. As a matter of fact, an attempt was made to sell catastrophe crop insurance to farmers in good producing regions. It couldn't be sold.

If crop insurance were made compulsory for all farmers, the prediction is made that it would lead to cultivation of poor lands. The farmers would gamble in poor regions, with the knowledge that if the crop did not turn out, they could collect the insurance anyway, and there would be a long chance for a bumper crop.

If the government should enter the crop insurance field, it would not be insurance, practical insurance men say, but would merely be a subsidy.

General of Seattle Is Now Financing Auto Purchases

The plan for financing automobile purchases, which the General of Seattle has used in California experimentally for three months, has proved desirable and will be extended into other states. A few auto insurers throughout the country have set up auto financing adjuncts. Lumbermen's Mutual Casualty and Chicago Motor Club have done it. Of course some financing concerns have set up insurance company adjuncts. General of Seattle will advance two-thirds of the purchase price of cars, not more than two years old. Interest is charged at the rate of 5 percent on the first \$400 of the loan and 4 percent on the balance.

REINSURANCE

helps digest the gross line

We offer direct writing fire insurance Companies sound protection and competent service.

AMERICAN RESERVE INSURANCE COMPANY

99 John Street New York City

Capital \$1,000,000.00

THOMAS B. BOSS, President RICHARD H. LONG, Secretary
E. L. MULVEHILL, Vice-President H. E. BECKER, Treasurer

Politico-Insurance Setup in Illinois Is Challenged

(CONTINUED FROM PAGE 13)

business and to halt the diversion of insurance from its natural competitive channels. The insurance profession from Galena to Cairo knows that the governor has permitted the coercion of insurance."

Mr. Brooks spoke to a large audience. Charles H. Burras, president Joyce & Co., chairman of the Republican Insurance Committee, presided at the luncheon. Others seated at the speakers table were: Lyman Drake, Critchell, Miller, Whitney & Barbour; George W. Blossom, Jr., Fred S. James & Co.; Charles Buresh, president Chicago Board; Wade Fetzner, W. A. Alexander & Co.; C. Ward Seabury, Marsh & McLennan; W. Herbert Stewart, Stewart, Keator, Kessberger & Lederer; Fred J. Sauter; Gail Reed, vice-president Insurance Brokers Association; James S. Kemper, Lumbermen's Mutual Casualty; T. J. Houston, former Illinois insurance commissioner; Alvin S. Keys, Springfield, chairman Illinois Association of Insurance Agents; Charles F. Axelson, Northwestern Mutual.

A. V. Gruhn Gives Mutuals' Reply to Day's "Propaganda"

(CONTINUED FROM PAGE 13)

charge the mutuals are not subject to the same supervision that stock companies are. "As a matter of fact," he declared, "we are definitely for regulation which may be applied to all. We are behind improvement laws in the various states, as Illinois records will show."

Mr. Gruhn contended investments of mutuals are conservative and said they had made an underwriting profit during the depression.

Mutual insurance as an institution, he asserted, plays no part in consumer co-operatives or producer co-operatives and takes no part in the current economic controversy. Mutuals stand ready to give protection to all deserving of protection, he declared.

Mr. Gruhn charged that rate violations for competitive purposes are general on the part of stock companies. He said the stock people are now taking the position that the rate cut method of competition is to be eschewed. He declared a different attack is being formulated, a principal phase of which is the Dauwalter formula for measuring relative solvency. Mr. Gruhn undertook to discredit that formula. He came out flatly in favor of state rate regulation.

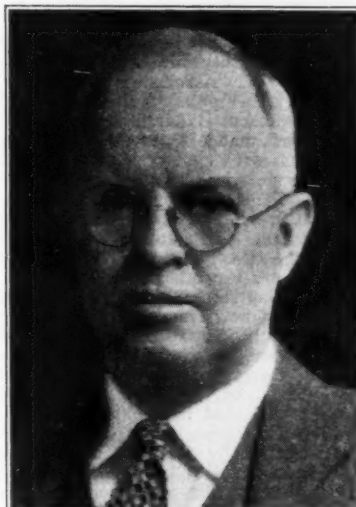
An open forum discussion followed the address. Seventy-five attended. F. O. Stull, president of the association, opened the meeting and turned it over to Homer Harrison, ex-president and chairman. Among the guests were: F. J. Flynn, sales manager American Mutual Liability; R. W. Lyons, sales agent, Preferred Mutual Fire, Columbus; J. M. Shaw, Cleveland superintendent Ohio Inspection Bureau; W. H. G. Kegg, secretary Lumbermen's Mutual of Mansfield; J. J. Crum, secretary, and L. M. Donathan, assistant secretary Shelby Mutual Plate Glass; E. W. Dann, secretary Richland Mutual of Mansfield; S. E. Hanawalt, president Columbus Mutual Agents Association; C. O. Garver, state agent, Pawtucket Mutual Fire, Columbus; and W. D. Pearce, president Northwestern Ohio Mutual Fire & Casualty Agents Association.

Revival of Northwest Body Is Now Being Advocated

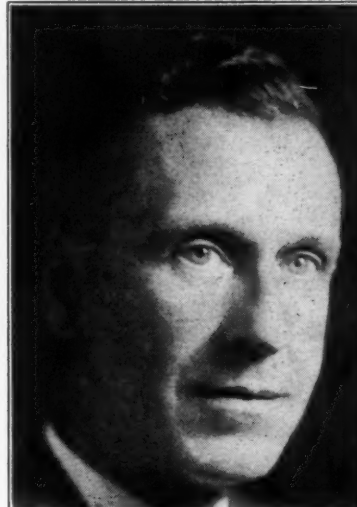
(CONTINUED FROM PAGE 13)

clared, at a time when it was coming into its greatest usefulness. There is need, Mr. Thomas opined, for an open forum today even more than there was when the Northwest association was organized. It should be revived, he

Two Tennessee Speakers



J. H. HINES, Atlanta



C. D. SHEFFE, New York

Two prominent speakers addressing the Tennessee Association of Insurance Agents at Nashville this week are J. H. Hines of Hines Brothers of Atlanta, southern managers of Crum & Forster companies and C. D. Sheffe of New York City, assistant United States manager of the London Assurance. Mr. Hines will discuss "The Trend of Cooperating Sales Organizations" and Mr. Sheffe has as his topic "Non-Stock Competition." Both dovetail, therefore, into the other.

said, and the field personnel should be brought into the organization so that the problems of the business can be discussed "in a way that is wholly lacking at this time."

Mr. Cartwright argued that the business lost a great inheritance when the Northwest association was discontinued. Company managements, he contended, should not be deterred by the effect on the expense ratio of the cost of a northwest meeting. He spoke of the intangibles of the business that are emphasized in a great gathering where field men from neighboring states can mingle. He expressed the belief that these meetings tended to overcome parochialism in the business. He suggested that instead of the meeting being held in the fall it be scheduled for some time in March when most companies are having round ups of their field men. He suggests that the field men meet with their individual companies on Tuesday and Wednesday of the convention week and then gather for the general session Thursday and Friday.

One suggestion was advanced informally that meetings of the Northwest association be held every two years.

Walter Leach Presided

Walter Leach, president of the Minneapolis F. & M., presided at the dinner as the outgoing president of the society. There were no formal speakers, but various persons were called on for remarks. About 120 attended. Among those who spoke briefly were W. K. Maxwell, vice-president and western manager of the Hanover; Hugh Loudon of Babson Park, Fla., retired U. S. manager of the L. & L. & G., who had motored to Chicago with Mr. Stafford; W. J. Tippery, assistant western manager Aetna Fire and Mr. Sonnen. Royal Buckman reported as treasurer.

Among those present from outside of Chicago were Vice-president John Kremer, North America; Vice-president J. G. Maconachy, Fire Association; B. E. Boreau, general adjuster St. Paul Fire & Marine; B. L. Hewitt of Lansing, western manager Boston and Old Colony; W. E. McCullough, general agent Denver; E. S. Phelps, Burlington, Ia.; Robe Bird, western manager American; R. G. Blair, Peoria, State, Pa.; Homer Caldwell, Peoria, Springfield F. & M.; J. T. Coen, Olney, Ill., Home of New York; D. P. Coffman, Lincoln, Ill., New York Underwriters; H. A. Elkin, Springfield, Century; F. P. Gordon, Milwaukee,

Boston and Old Colony; O. E. Green, Indianapolis, Providence Washington; H. W. Hall, Indianapolis, London & Lancashire; C. W. Hutchinson, Milwaukee, Pennsylvania; P. F. Lewis, Milwaukee, Boston and Old Colony; R. L. Nicholson, Milwaukee, Michigan F. & M.; H. S. Norton, Rockford, Ill., American of N. J.; C. D. Wadsworth, Des Moines, Springfield F. & M.; Harvey Girard, Milwaukee, Providence Washington and A. G. Meredith, Fire Association, Wisconsin.

McClain Presents Plan For Better Qualified Agents

(CONTINUED FROM PAGE 15)

far in 1936 the department has approved 8,793 agents, a reduction of approximately 50 percent since 1933.

Regarding the agitation against part-time agents, he said there is nothing in the Indiana insurance law regarding the amount of time the agent must spend in selling insurance and that some men may sell more in two hours a day than others can in 12. He also declared that many successful full-time agents of today started in on a part-time basis and built up from a small beginning. He also mentioned in that connection the people who desire license solely to write property owned or controlled by them, their employers or their families. He said that such people cannot secure licenses except on recommendation from some company and that it would be impossible for the department to maintain a police force sufficient to secure such information in all such cases.

Mr. McClain has within the past week sent out to all fire and casualty agents in Indiana a pamphlet containing much of the same material which he included in his Marion talk, covering also the procedure for securing 1937 licenses and emphasizing the danger of selling unsafe insurance, especially for a company not licensed in Indiana.

Southern Minnesota Meeting

The Southern Minnesota Regional Association at its meeting in Rochester had a full program. Speakers included Donald Scott, Faribault; A. B. Jackson, assistant vice-president St. Paul F. & M.; C. S. Babcock, Austin; Jay Weeks, Minneapolis, state agent Home; Wallace Rodgers, Western Underwriters Asso-

ciation; Wheaton Williams, Minneapolis, vice-president, Fred L. Gray Company.

There was a tour of the Mayo clinic. At the banquet C. F. Liscomb of Duluth, new national executive committee chairman, gave a talk and Commissioner Yetka spoke.

James Roosevelt's Place in Insurance Questioned

The insurance activities of James Roosevelt, the son of the President, were brought into the controversy over the confused handling of the Senator Vandenberg—"Voice of 1932" radio debate over the Columbia Broadcasting System.

Senator Hastings of Delaware telegraphed Edward Klauber of the Columbia System inquiring whether the fact that James Roosevelt placed a large amount of Columbia's insurance did not have something to do with the action of Columbia in cutting Senator Vandenberg off the air.

"There is a persistent rumor," the Hastings telegram read, "that James Roosevelt has recently written a large sum of insurance for your company and that this had something to do with the decision reached by you. Will you be good enough to advise me whether there is any truth in the rumor that James Roosevelt is writing insurance for your company?"

Mr. Klauber replied by telegram, saying that James Roosevelt helped sell Columbia a group insurance policy in 1934. He denied that this deal had anything to do with Columbia's action in censoring the debate in which an electrical transcription of President Roosevelt's remarks in the 1932 campaign were reproduced. He said Columbia took out group insurance on its employees after being solicited by "the company as well as through their accredited agents, Roosevelt & Sargent. The plan jointly submitted to us by these men appealed to us as more satisfactory than any other proposition we received."

James Roosevelt has done very well in the insurance business in his first few years.

Los Angeles Brokers Move

A self appointed committee on organization of the Los Angeles Insurance Brokers Exchange consisting of John R. Rauschenberg, chairman, W. B. Laorce and H. W. Allen, sent a letter to brokers advocating the organization of a brokers exchange. The committee has done considerable preliminary work and a number of meetings have been held. The subject has been discussed from many viewpoints. It is proposed to call a meeting of those interested in a short time. The communication sent to the brokers is to learn the sentiment.

Cahill with Home in South

I. J. Cahill, marine special agent of the Fireman's Fund Underwriters for Texas and Louisiana, Houston, Tex., has joined the Home of New York and will be in charge of the New Orleans office.

Glens Falls Gets Out "Policyholder's Friend"

The Glens Falls and Commerce have gotten out a book of some 57 pages called "The Policyholder's Friend." This is a practical booklet to be used by the person or persons in the office who write the policies, prepare the forms and has in charge the details of writing endorsements. The authors have endeavored to make clear some of the rules and regulations so that careful reading in following the suggestions will result in less criticisms from audit bureaus, fewer letters from the home office, less trouble with fieldmen and clear sailing with the adjuster in case of loss.

Eagle, Star Shows A Fine Record in Operations in U. S.

The Eagle, Star & British Dominions this month is completing its 20 years of business in the United States. Since its entry into the United States in 1916, the Eagle, Star has pursued a consistent, conservative and honorable business policy. The management is particularly proud of its investment portfolio and invites the holdings to be subjected to the most conservative scrutiny.

The Eagle, Star is one of the largest British companies that operates in the United States. It traces its lineage back to 1807, through one of the three companies which were merged to form the present institution.

Eagle, Star is an organization company throughout, belonging to all of the underwriting associations. It has the interesting specialty of rain insurance. It was the first stock company to issue a rain policy in this country.

H. G. Casper, the United States manager, is well known in the business. He is a thoughtful and popular executive. The Eagle, Star operates an aggressive business development department and is respected by competitors and agents. At his side, Mr. Casper has C. L. De Witt and Bert A. Jochen, assistant United States managers. Mr. Jochen is the young man that was brought into the New York head office by Mr. Casper, soon after he was elevated to U. S. manager. Mr. Jochen was formerly located in Omaha with the National Security Fire. Mr. De Witt is one of the well known veterans in the business.

Haid Cancels Ohio Address

Paul L. Haid, president Insurance Executives Association of New York City, who is scheduled to speak before the annual meeting of the Ohio Association of Insurance Agents next week in Columbus, finds that it will be impossible for him to attend.

Name Drummond, Pickett

James Drummond has been appointed insurance superintendent and W. F. Pickett superintendent of the inland marine department in Canada for the Phoenix of Hartford and the Western, managed jointly in the territory by S. M. Elliott and A. H. Vallance, of Montreal.

Effective Use of Direct Mail Advertising Outlined

Carl S. Crummett, American Mutual Liability, was elected president of the Mutual Insurance Advertising-Sales conference. L. K. Sharp, Mill Owners Mutual of Iowa, is vice-president, and Paul G. Purmort, Central Manufacturers Mutual, is secretary.

Meetings were held on three days. It was agreed newspaper and magazine advertising is more valuable than direct mail.

Paul G. Parkinson, Hardware Mutual Casualty, the retiring president, was named to head the executive committee.

Leaders in number of first prize awards were Mr. Parkinson, Bennett Moore, Liberty Mutual, and W. C. Sampson, Employers Mutuals of Wausau, Wis.

Advertising men were taken to task for producing advertising material, without at the same time selling its use to the field, by D. Bobb Slattery, assistant to the vice-president of the Penn Mutual Life, in his talk at the gathering. He said the accumulation of advertising material gathering dust on the shelves of agencies is glaring evidence of a fault "in the merchandising of our advertising in the selling organization," and that the chief asset of the man in the field is his time and advertising should be so conceived as to guard that asset to the nth degree.

Ohio Speaker



CLARIS ADAMS

Claris Adams, president of the Ohio State Life of Columbus, O., who recently assumed that position succeeding the late U. S. Brandt, will be a speaker next week before the meeting of the Ohio Association of Insurance Agents in his city. Mr. Adams is a former Indianapolis attorney, one of the famous orators of that state. He served as secretary and general counsel of the American Life Convention and then was executive vice-president of the American Life of Detroit. He recently retired as president of the Michigan Federation of Republican Clubs owing to his moving out of the state. At one of the famous Indiana campaigns he was a candidate for the Republican nomination as United States senator in opposition to Senator Watson.

Ohio Plan Found Legal

Attorney-general Bricker of Ohio has given the opinion that the plan for distributing insurance on properties held by the superintendent of banks and building and loan associations is legal. This plan is similar to the one in operation in New Jersey.

Field Men in Oshkosh

OSHKOSH, WIS., Oct. 21.—Fire prevention week, observed here, was featured by two addresses by C. R. James, Aetna Fire, and secretary Wisconsin Fire Prevention Association, who spoke before members of the Rotary Club, gave a broadcast over the local radio station and addressed members of Kiwanis. C. W. Hutchinson, North British & Mercantile, spoke before 600 students of the State Teachers College. Inspections were made throughout the city, fire drills held in all the schools and 10,000 home inspection blanks were taken by pupils to their homes and returned to the fire department for checking.

Water Shut Off at Buffalo

Buffalo insurance men had a bad two hours on Tuesday when a break in the 48-inch water main leading from the city pumping station to the down town business district shut off all water from half of the city. Affected was the entire down town area. The break, coming in mid-morning, made necessary suspension of much business and industry. Fire department heads ordered the Fireboat Grattan to the foot of Main St. with instruction to begin pumping harbor water into high pressure mains if a fire should break out in the business district.

Fortunately there were no alarms and service was restored in slightly more than an hour. It was the first time in modern history the principal business district had been without water service.

Lawyers in Round Table Scout Need for New Policy

Prospects for a new standard fire policy are pretty slim, judging by the discussion in the fire insurance round table of the Insurance Section of the American Bar Association in Boston, recently. Plenty of fault was found with the present standard policy, including the fact that it is not standard. The new New York policy was adopted in about 14 states. The old one is still in use in quite a number of other states, while the old 1886 form is in use in others. Still other states have their own standard policies, each differing in some respect from the other forms.

The feeling seemed to be at the round table that a new standard policy would just be another variation, and not a real standard for general use. It is very difficult to get changes through the legislatures, and it is especially difficult to get a proposed model through without local amendments. The situation was illustrated by one speaker who said that the original standard policy came about in response to a demand from the public. There was no public demand for the revision of 20 years ago, the request having been more or less academic on behalf of the insurance commissioner. The result proved that the public and the insurance companies preferred the old form, which had been through the courts and had been pretty fully interpreted. It was said there is no public demand now for a new policy, because the practice of adding riders gives the insured practically the contract he wants in each case.

Des Moines Veteran Honored

DES MOINES, Oct. 21.—The 30th anniversary of A. J. Verran in the fire insurance business was observed at a diner Monday night.

W. R. Kirk of Chicago, agency superintendent of the Pennsylvania Fire presented Mr. Verran with a testimonial plaque. Among those present were Thomas Watters, Jr., L. B. Newendorp, Iowa state agent Pennsylvania Fire; Sherry Fisher and Claude Fisher.

Rhodes Browne, president Georgia Home of Columbus from 1900 until recently, when he retired from active service and became board chairman, died. Mr. Browne entered the service of the Georgia Home at Columbus in 1884 when he was 19 and advanced through various departments until he became vice-president. When his father, who was president, died in 1900, he became president, and held that position until recently.

Local Agents Fleeced by Slick Neon Sign Agent

Seemingly local agents are being victimized in a number of ways. State Agent J. A. Neilan of the Norwich Union Fire in Ohio tells of an experience of one of the agents of his company. The agent was approached by a salesman bearing the name of G. W. Woods, who represented himself as being affiliated with the Associated Printing Company of New York City. His business was renting Neon signs for advertising purposes. He carried samples and credentials which were substantial enough to convince any agent of his sincerity. The agent made a contract with him to rent some signs and gave a check in partial payment issued to the Associated Printing Company. After waiting for a considerable time the agent investigated and found that there was no such concern located in New York City. He ascertained that the salesman cashed the check the same day it was issued at a local filling station signing his name as an officer of the Associated Printing Company, J. C. Stone.

Is Presiding at Meeting of the Western Bureau



HERBERT A. CLARK, Chicago

H. A. Clark of Chicago, vice-president and western manager of the Firemen's group, and president of the Western Insurance Bureau, is presiding over its deliberations at White Sulphur Springs, W. Va., this week. In addition to being president he is chairman of its board of directors. He is one of the most useful men in the organization.

Change in Chairmanships

President Palmer of the National Association of Insurance Commissioners announced a change of chairmanships. W. A. Sullivan of Washington was appointed chairman of the casualty and surety committee and Owen B. Hunt of Pennsylvania was made chairman of the social security committee. These chairmen agreed to exchange committees. Mr. Sullivan formerly was head of the social security committee.

Fire Insurance Publicity

PHILADELPHIA, Oct. 21.—Fire insurance this week is receiving free publicity in the news reels being flashed on the screens of movie houses from coast to coast. This publicity was arranged by a Philadelphia public relations man, E. S. Banks. Handling the publicity for the recent annual convention of the National Association of Mutual Insurance Companies, he arranged for a fire fighting demonstration at Independence Hall to mark the 200th anniversary of organized fire fighting in North America. However, the news reel announcers, in their comment during the showing of the demonstration, refer to it as a celebration in honor of the 200th anniversary of fire insurance, "something which is of vital importance to the nation."

Watch Standard Policy Changes

NEW YORK, Oct. 21.—At a meeting of the insurance committee of the New York Credit Men's Association here yesterday, it was determined to maintain close contact with proposed changes in the standard fire policy of this state, and also to advise fire company officials as to the influence of the organization in advancing measures beneficial alike to insurers and insured.

Vulcania Insured in Europe

The liner Vulcania which caught fire shortly after leaving Naples is now thought to be wholly insured in Europe.

Emporia, Kan., has entered the Inter-Chamber Fire Waste Contest through the efforts of H. O. McIntosh, Kansas state agent of the Hanover. The mayor is chairman of the chamber's fire prevention committee.



LIKE A FAMILY DOCTOR THE

GENERAL AGENT NEAREST YOU IS WORTH KNOWING

● An insurance specialist in his territory—that's a General Agent. He knows every step of it, covers it thoroughly, is familiar with local conditions, and is always ready to help YOU as a Local Agent, and NOT compete with you.

ARKANSAS

Coates & Raines, Inc.
Little Rock

Trezevant & Cochran
General Agents Since 1876
Little Rock

CALIFORNIA

Edward Brown & Sons
San Francisco

KANSAS

T. W. Garrett, Jr.
Gen'l Agcy., Inc.
Kansas City

Kansas Underwriters
Wichita

KENTUCKY

Bradshaw & Weil Gen.
Agcy. Co.
Incorporated
Louisville

LOUISIANA

Trezevant & Cochran
General Agents Since 1876
New Orleans

OKLAHOMA

R. W. Drake & Company
Complete Insurance Facilities
Oklahoma City

Trezevant & Cochran
General Agents Since 1876
Oklahoma City

TEXAS

Trezevant & Cochran
General Agents Since 1876
Dallas

● Find out today about the General Agent's way—write the office nearest you or the American Association of Insurance General Agents. Gas & Electric Bldg., Denver, Colo.

News of Pacific Coast States

(CONTINUED FROM PAGE 20)

Plan for Long Beach Stag

Company and local agency men are expecting to attend the annual golf tournament and stag dinner given by the Long Beach Insurance Association Nov. 6 at the Virginia Country Club in Long Beach, Cal. Last year 178 attended. More than 200 will be present this year. There will be 18 golf trophies given for company men. According to the committee, the floor show will be bigger and better than the one last year and will feature an all-movie cast.

Salem, Ore., Agents Elect

SALEM, ORE., Oct. 21.—Salem insurance agents have elected Fred Mangis, Mangis Insurance Agency, president; Otto Hoppes, W. H. Burghardt Insurance Agency, vice-president, and C. M. Byrd, Byrd Insurance Agency, reelected secretary-treasurer.

Robinson Opens Agency

George E. Robinson has established a general insurance agency in the new Loyalty building, Portland, Ore. He was formerly in charge of the accident and health department of the Commercial and Metropolitan Casualty.

Tandy with Adjustment Bureau

Charles Tandy, for some 13 years with companies in Hartford, Dallas, Los Angeles and Salt Lake City, has joined the Seattle staff of the Fire Companies Adjustment Bureau.

Hollister with Portland Agency

Harry Hollister, former special agent of the Fidelity & Guaranty Fire, has joined the Barton, Leavy & Kern agency, Portland, Ore.

Pacific Board Head at California Agents' Meet



RAY DECKER, San Francisco

Ray Decker of San Francisco, Pacific Coast manager of the Royal-L. & L. & G. group, is representing the Pacific Board officially, he being the president at the annual meeting of the California Association of Insurance Agents this week at San Jose and is on the program for one of the featured talks.

Pacific Coast Notes

P. V. Caesar, for 33 years in the insurance business in Tacoma, Wash., has opened his own offices at 508 W. R. Rust building.

W. J. Scratchard, for some months secretary of the Tacoma Insurance Exchange, has opened his own agency at Puyallup, Wash.

EASTERN STATES ACTIVITIES

Massachusetts Agents' Card

Completed Program Announced for Association's Annual Meeting in Springfield, Oct. 22-23

The completed program for the annual meeting of the Massachusetts Association of Insurance Agents, which is being held at the Hotel Kimball, Springfield, Oct. 22-23, is as follows:

Thursday, Oct. 22, 6:30 p. m.

Get-together dinner, Carroll K. Steele, president, presiding.
Greetings from the city of Springfield, Mayor Henry Martens.
Greetings from Springfield Board of Fire & Casualty Underwriters, Harvey R. Preston, president.

Response, E. J. Cole, Fall River, past president National Association of Insurance Agents.

Introduction of George G. Bulkley, president Springfield Fire & Marine, and other distinguished guests.

Address, F. J. DeCelles, Massachusetts commissioner.

Address, Charles C. Hannah, manager eastern department Fireman's Fund.

Friday, Oct. 23, 9:30 a. m.

Annual reports of state association officers.

Address, F. L. Greeno, Rochester, N. Y., past president New York State Association, representing National Association of Insurance Agents.

Address, John W. Downs, counsel Insurance Federation of Massachusetts.

Discussion, "Compulsory Automobile Insurance."

Whether are we headed? Commissions? What is to become of the declined risk?

Report, "Uniform Local Board Rules," E. J. Cole, chairman.

Are local boards functioning properly?

Are the rules of local boards antiquated? General open discussion.

Luncheon courtesy Springfield Fire & Marine.

Afternoon

Address, "The Business Development Office," F. W. Doremus, secretary American of Newark.

Discussion, "Direct Writers," C. C. Hewitt of Bolt, Dalton, Church & Hamilton, Boston.

Report, "Agents' Qualification Law," Fred R. Smith, Haverhill, chairman.

Discussion, "The Standard Fire Insurance Contract."

Should obnoxious clauses nullified by endorsement and form be eliminated?

Report, Permanent Counsel or Manager for the State Association, E. J. Cole, chairman.

Report, Accident Prevention Committee, Paul J. Woodcome, Fitchburg, chairman.

Other discussion subjects:

Group advertising by the local board. Collections: Are letters, telephone calls or personal calls (or a combination of all three), most successful?

Claims: To what extent should the agent participate in adjustments—especially casualty?

Surveys: Are surveys worth the time they require?

The cigarette loss: How should it be handled?

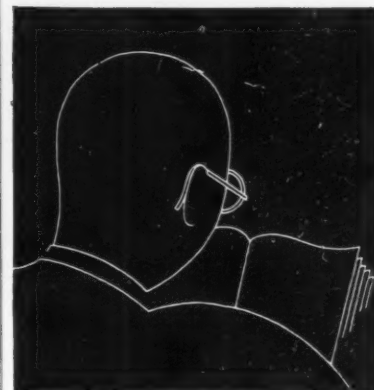
Issue School Cover Study

New York State Organization Recognizes Services Performed by Qualified Agents

NEW YORK, Oct. 21.—After several years' close and intelligent study of school insurance in cooperation with well informed men, the New York State School Boards Association, has issued an insurance program for guidance of

the state's school boards, a number of recommendations being made. Subjects covered include the insurance committee and insurance adviser, school hazards, definition of the New York standard fire policy, explanation of the co-insurance clause, appraisal methods, and various forms of casualty and surety contracts.

Regarding participation of agents in advising and placing insurance, it is urged that, "before an efficient economical program can be set up, the insurance committee must focus a definite responsibility upon a selected few, intelligent



"I'VE BEEN READING..."

something that sounds pretty good to me . . . It's in a little book called "Planned Progress" . . . The point is—you get ahead faster in any business if you have a plan . . . I guess that's right. There's the new house they're building down the street. When I came by it today, I saw the men studying a blue print. That's their plan . . . The more I think of it, the more I see that sticking to a good plan works pretty well 'most everywhere in life. I'm sold on the idea right now, anyway, to get my agency out of the doldrums . . . Yes, I'm sold on the idea of representing strong companies—companies that will help me . . . I'm sold, too, on the help of sympathetic field men—men who know their stuff—men I can go to with my problems—men who have ideas . . . I'm sure that an analysis of my market will show me where I stand. But more than anything else, I'm sold on this idea of having a plan for my agency . . . I'm going to have it, too . . . I know that ideas are not the test—it's what I do with them. But—I'm ready to put ideas to work!" . . . If you are of the same mind, write for a copy of "Planned Progress." It's out of the ordinary.

BOSTON INSURANCE COMPANY
OLD COLONY INSURANCE COMPANY
Desk S, 87 Kilby Street, Boston, Mass.

Send me the booklet "Planned Progress" which outlines a plan to help me reach the place I'm headed for. I understand I may keep this booklet without charge and without obligation.

Name.....

Address.....

and trustworthy agents, who will become its advisors. If the agents of the place are unorganized, the insurance committee will perform make the selections, but where the agents have an organization such as an exchange, a local board or a craft club, the organization can be invited to appoint a committee from its own members to work with the school committee. A laborer is worthy of his hire, and the services of an advisory committee may be properly recompensed with a larger allotment of insurance than is given to agents who have not participated in the work to an equal degree."

Reelect Harrisburg Officers

Paul N. Garrett has been re-elected president of the Harrisburg Association of Insurance Agents. Fred B. Dapp is first vice-president; E. J. Miller, second vice-president and C. M. Thumma, secretary.

Sheriff Can't Insure

Holding that the county sheriffs have no insurable interest in assessed property, the Dauphin county court at Harrisburg, Pa., has directed a non-suit in an action brought by four fire insurance companies against the Richmond which issued a policy taken out by a Lehigh county sheriff after a levy on the property. The four insurers that brought action against the Richmond were Franklin Fire, Pennsylvania, Great American and Excelsior.

Bostonian Wins Promotion

BOSTON, Oct. 21.—Percy E. Nute, who since June 1, 1935, has been enforcing officer of the Boston Board, has been named by the executive committee to be assistant manager of the board. He will succeed Isaac Osgood who was chosen manager a few weeks

ago. The appointment must be confirmed at the November board meeting.

Mr. Nute has spent his entire business life with the board, with which he has been connected since October, 1906. When the Boston and metropolitan fire insurance stamping office was established Jan. 1, 1915, he became its manager and was in charge of that office when appointed enforcing officer.

Addresses Hartford Group

HARTFORD, Oct. 21.—At the first meeting of the Insurance Institute of Hartford, fire section, John Ashmead of the Phoenix spoke on the essentials of the contract and its relation to insurance. He also sketched briefly the history of insurance, explaining its inception and growth.

N. J. Association Membership

NEWARK, Oct. 21.—The membership of the New Jersey Association of Underwriters is rapidly increasing, the

total now being 585, and it is hoped by the membership committee that it will be 700 before the next annual meeting.

Honor Lord Agency

BOSTON, Oct. 21.—Executives of the London Assurance visited Boston to honor the Elmer A. Lord & Co. agency, which had represented the company for 25 years, at a banquet. The agency, now 40 years old, was represented by W. C. Hill, W. H. Plumer, Converse Hill, W. B. Plumer and Hervey Mason. Present from the U. S. head office of the London Assurance were E. W. Nourse, United States manager; C. D. Sheffe, assistant United States manager; Walter Meiss, executive general agent, and Frank E. Walls, Massachusetts state agent. The Lord agency has produced \$2,000,000 in premiums for the company during the quarter century.

The agency of Clayton, Clayton & Stansbury, Asbury Park, N. J., has been taken over by A. L. Stansbury.

agers of the company. This will take place in the office of W. R. Houghton, Canadian general manager.

General Accident Appointment

TORONTO, Oct. 21.—W. W. Perkins has been appointed chief fire inspector for Ontario for the General Accident and associated companies.

New Director of Reliance

A. S. Dawes, president of the Atlas Construction Co., Montreal, has been elected a director of the Reliance of Canada.

MARINE NEWS

I. M. U. A. Clarifies Points Relating to Two Contracts

Several bulletins involving underwriting matters in connection with the personal property floater and personal effects form have been sent out by the Inland Marine Underwriters Association of New York. They formulate practices which have been in effect with most organization companies for some time, but were not always observed. Whenever an additional charge or minimum additional premium is required in connection with the personal effects form for extension of the policy or deletion of policy exclusions or restrictions, the additional premium charge must be made irrespective of whether or not the policy has been in force less than one year or has less than a year to run at the time of endorsement. This especially refers to such provisions as the unattended automobile clause or the clause referring to named persons permanently residing with assured.

The personal property floater can cover scheduled fine arts at fine arts rules and rates, which occasionally results in premiums somewhat less than for the personal property floater. Fine arts can be covered at specified locations with automatic transit cover, but if the lower fine arts rate at specified locations is used, the policy must specify that these locations are the only places at which the fine arts will be covered.

Comprehensive Not Permitted

A mistake appeared in the pages of THE NATIONAL UNDERWRITER under date of Oct. 8 regarding the personal property floater. The article stated that this form has been approved in Virginia and Delaware. This is not the case. The personal property floater is not permitted in either of these two states.

Genevieve Rogers, a partner of the Joseph A. Rogers Agency of St. Paul, is in Chicago studying for a short time as an observer in the Fireman's Fund central marine department under Manager E. D. Lawson.

IN THE CANADIAN FIELD

Mason Is Ontario President

Giddings, Dodge and Elliott Discuss Problems of Business—Fire Marshal Urges Precautions

NEW OFFICERS ELECTED

President—S. O. Mason, Welland.
Vice-presidents—R. Patterson, Owen Sound; A. D. Stewart, Ottawa, and F. C. Thomson, Hamilton.
Secretary-treasurer—Charles Priestman, Toronto.

An optimistic spirit predominated the Ontario Fire & Casualty Insurance Agents Association's annual meeting in Toronto. Attention was given the licensing and working conditions of agents as well as to information on insurance coverage.

T. E. Clendinning of Ottawa presided. Featured talks were: Albert Dodge, Buffalo, N. Y., on "Where Do We Go From Here?"; Maj. H. A. Giddings, vice-president Travelers, on "How Do We Get That Way?"; W. J. Scott, fire marshal of Ontario, on "How Insurance Agents Can Reduce Fires," and S. M. Elliott, joint manager Phoenix of Hartford, on "Advertising."

Discussions included credit and free insurance evils, introduced by J. T. Truman, Hamilton, past-president; inland transportation and work of the joint committee on definitions and interpretation of underwriting powers of fire, marine and casualty insurers, led by W. Rae Blight of George McMurrich Sons, Toronto; fire insurance legislation, led by W. J. Chapman of Reed, Shaw & McNaught, Toronto; report on agency qualification law, by H. E. Rose, St. Catharines, past-president.

Fire Marshal Scott stated that from the viewpoint of his office, 1935 was the best year in the recorded history of the province, with a per capita fire loss of \$2.72, compared with \$4.82 in 1929. He called upon the agents to help further reduce the fire loss by seeing that their clients are not over-insured and by keeping a fatherly eye on the property insured. The greatest single fire cause of today, he pointed out, is the cigar, cigarette and pipe menace, no less than 2,763 fires in the province having been due to this cause, or more than double the number of any other origin.

Following a discussion of finance companies, a resolution was passed asking that the provincial superintendent thoroughly investigate finance corporations with a view to refusing an agent's licenses to any one connected with such concerns.

Charges that special fire insurance

companies were being favored by life insurance and loan companies operating loans in the government housing act program were made on the floor of the convention. The matter is to be referred to the authorities.

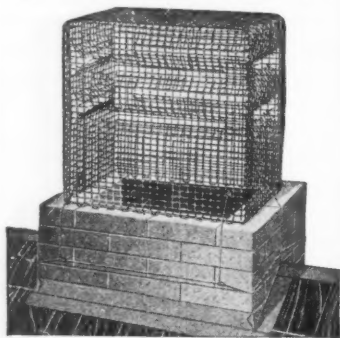
Because of the quasi-public character of the insurance business, financial stability is most important and the only competition should be that of service to the public and price should not enter into it, said Albert Dodge, Buffalo local agent. Ontario does not have a rating bureau and Mr. Dodge explained the way the New York bureau operates. Rating must be established on a scientific basis, he said, for any one company to attempt to make rates on its own experience causes confusion and disaster. Mr. Dodge urged the formation of a rating organization in Ontario in the interest of the public, companies and the agents.

To secure uniformity of practices Mr. Dodge suggested a convention for stock company executives with agents being given the privilege of attending. Such a plan would assist in the curbing of activities of certain companies in dealing direct with the assured and in selling wholesale insurance and overhead writing. Mr. Dodge told of the success of the agents qualification law in New York in reducing the number of licenses issued. It has done more to stabilize and improve the business of insurance than any other statute on the books, he declared.

Canadian Managers' Conference

A. S. Rogers, general manager for the London & Lancashire at the home office, who arrived in this country last week, is going to Canada for a conference with all Canadian branch man-

NATIONAL SPARK ARRESTERS



PREVENT "SPARK ON ROOF" FIRES

(Approved by Farm Underwriters)
(Comply with N. F. P. A. Standards)

Sell your Client "Protection" as well as "Insurance." Build-up your business and reduce your loss ratio.

National Supply & Service Corp.
Crawfordsville, Indiana

FACTUAL APPRAISALS

Impartial Valuations of Industrial and Commercial Property... A quarter century of factual appraisal service to America's more conservative business institutions.

The Lloyd Thomas Co.

RECOGNIZED AUTHORITIES ON PHYSICAL VALUES

APPRAISAL ENGINEERS

441-159 RAVENSWOOD AVE., CHICAGO

NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

90 John Street - - - - - New York City

FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY

A · DIRECTORY · OF RESPONSIBLE INDEPENDENT ADJUSTERS ·

ARIZONA

LYLE ADJUSTMENT CO., INC.

Branch Home Office Branch
Masonic Bldg. Ellis Bldg. Central Bldg.
FLAGSTAFF PHOENIX TUCSON
Casualty—Surety—Inland Marine—Fire
Health Accident — Life Investigations
Representing over 40 companies.
General Service All Lines.

CALIFORNIA

J. P. McHALE & CO.

General Adjusters
for Insurance Companies
1031 South Broadway
LOS ANGELES, CALIFORNIA
Representing 45 insurance companies—
All Lines
Since 1915

F. H. NOTTBUSCH Commonwealth Building San Diego, California

Now Representing: Loyalty Group, St. Paul
Mercury Ind. Co., London Guar. & Acc.,
Lumbermens of Chicago, American Motor-
ists, General Group of Seattle and many
others. 15 years staff man in Home Office.

GAYNOR-DeWITT, Adjusters

433 California Street
San Francisco, California
SPECIALIZING IN
ALL RISKS INLAND MARINE, CASUALTY,
INVESTIGATIONS AND ADJUSTMENTS
Corresponding offices at strategic locations.

DIST. OF COLUMBIA

BURNS ADJUSTING COMPANY

Harry C. Burns, President
Investigations and Adjustments
For Insurance Companies Only
Barr Building Washington, D. C.

NICHOLS COMPANY INSURANCE ADJUSTMENTS

Representing Companies Only—All Lines
Woodward Building, Washington, D. C.
Mutual Building, Richmond, Va.
110 W. Pall Mall St., Winchester, Va.
604 Mercantile Trust Bldg., Baltimore, Md.
Prompt and Efficient Service Since 1921

ILLINOIS

C. G. EBERTH & CO. ADJUSTERS All Branches

Fire, Automobile—Casualty—Marine
Suite 1410—330 So. Wells St.
CHICAGO

INTERNATIONAL ADJUSTERS

Adjustment all lines for insurance companies.
Representation throughout the United States
and Canada.
330 So. Wells St. Chicago
Harrison 9550

THOMAS T. NORTH ADJUSTMENT COMPANY

Automobile—Fire, Theft, Collision,
Conversion, Liability, Property Damage
Inland Marine, Burglary
175 W. Jackson Blvd. Chicago Harrison 3230

M. J. O'BRIEN & COMPANY

Adjusters
All Casualty Lines

3106 Board of Trade
Building
Chicago



ILLINOIS (Cont.)

JOSEPH RICE & CO.

INVESTIGATIONS & ADJUSTMENTS
ALL CASUALTY LINES

Chicago Office Milwaukee Office
953 Ins. Exch. Bldg. 601 Guaranty Bldg.
Phone: Harrison 5663 Phone: Daly 6664

Established 1899

WHITNEY & MILLER ADJUSTMENTS

175 W. Jackson Blvd. CHICAGO

CLARENCE W. HEYL

8th Floor Central National Bank Building
Peoria, Illinois
Investigations and adjustments in all insur-
ance lines.
Representing thirty leading companies.
Phones—Office 8184
Night 4-2051, 2-2251, 5027

INDIANA

H. G. DOUGHERTY

Casualty Investigations and
Adjustments
1020 Lemcke Building
Indianapolis, Indiana

Indiana Adjustment Company Home Office, 130 E. Washington Bldg. Indianapolis, Ind.

Automobile & Casualty
Resident Adjusters at
Evansville, Fort Wayne, Gary, Indianapolis,
New Albany, South Bend, and Terre Haute.

INDIANA CASUALTY CLAIM SERVICE

Automobile & Casualty
One Hour Service Anywhere in Indiana
130 E. Washington Bldg.
INDIANAPOLIS, IND.

Eugene McIntire Adjustment Co., Inc.

Automobile, Casualty, Compensation and
Surety Adjustments
Eight, East Market Street
INDIANAPOLIS

Foley Adjustment Bureau

200-201 Union Trust Building
South Bend, Indiana
Specializing in automobile and casualty claims.
Immediate service northern Indiana and Southern
Michigan.
Representing over one hundred companies for ten
years.
Phones: Office—3-9712. Night—3-8522, 3-3287,
3-2038.

IOWA

JUDD W. CROCKER

Claim Department

Southern Surety Bldg. 308 Davidson Bldg.
Des Moines, Iowa Sioux City, Iowa
Ralph J. Bellizzi Fred M. Hagen
Branch Manager Branch Manager

KANSAS

SHEFFER-CUNNINGHAM

L. D. 75
Wichita, Kansas

MISSOURI

CLAIM SERVICE COMPANY, INC.

Insurance Exchange Building
TWENTY-ONE WEST TENTH STREET
KANSAS CITY, MISSOURI
ALL-RISK E. L. "RED" HOTH. PROMPT
AUTOMOBILE MANAGER CAREFUL
INLAND MARINE ADJUSTMENTS

NEBRASKA

JUDD W. CROCKER

CLAIM DEPARTMENT

Grain Exchange Bldg.
OMAHA
Stuart Bldg. First National Bank Bldg. Trapp Bldg.
LINCOLN GRAND ISLAND NORTH
PLATTE

R. T. GUSTAFSON COMPANY

Insurance Adjusters—Serving Nebraska and Iowa.
CASUALTY—ALL CLASSES: Auto, Liability, Com-
pensation, Burg., H&A, P. G., Bonds, etc.
AUTO FIRE, Theft, Property Damage, Collision, etc.
OMAHA, NEBRASKA
234 Keeline Bldg. Office: Webster 2631
17th & Harney Sts. Rm.: Kenwood 7411
19 years experience investigations and adjusting.

NEW JERSEY

Alexander & Hoffman, Inc.

Insurance Adjusters for the Companies
NEWARK—40 Clinton St.—NEW JERSEY
CASUALTY—AUTOMOBILE—
ALL CLASSES
Twenty Years' Experience.
Covering New Jersey, New York City and Suburban.

NEW MEXICO

CHAS. W. KRUEGER

General Adjuster

Fire, Automobile and Allied Lines
Since 1921
(For Companies only)
213 So. 3rd St.
Albuquerque, N. Mex.

NEW YORK

BARTH & RAY

522-526 M & T Building
Buffalo, New York
Attorneys

Facilities for Investigations, Adjustments
and Trial work over Western New York.

NORTH CAROLINA

GAY & TAYLOR, INC.

Insurance Adjusters
Home Office
833-4 Wachovia Bank Building
Winston-Salem, N. C.
Branch 501 Security Bank Bldg., Greensboro, N. C.
Branch 715 First Natl. Bank Bldg., Charlotte, N. C.
Branch 819 Central Union Bldg., Columbia, S. C.
represent 75 insurance companies.
Casualty, Automobile, Surety, Fire, Inland Marine

OHIO

M. M. WELSH

With associate staff and legal service.
1216 First National Bank Bldg.,
CINCINNATI, OHIO
Phone Parkway 1895—Night & Holidays East 3990
General Adjusters for the Companies
Operating throughout Ohio, Northern Kentucky and
Southeast Indiana.

JOHN H. McNEAL

and
HARLEY J. McNEAL

502 Auditorium Bldg., 1367 E. 8th St.
Phone Main 1926 CLEVELAND
Attorneys-at-Law
Facilities for Investigations, Adjustments and
Trial work over Northern Ohio.

DAVID H. THOMAS

50 E. Broad St.
Columbus, Ohio
Phone Adams 2237

CASUALTY AND SURETY

Specializing in liability claims.

OHIO (Cont.)

GEORGE H. LEWIS

1723 Nicholas Building
Toledo, Ohio
Fidelity & Cas. Co., Mass. Bonding Co., New
York Casualty Co. and others.
Equipped for Investigations, Adjustments,
Settlement of Claims. All North-Western
Ohio.

OKLAHOMA

Attorney-Adjuster

Davidson & Krueger

1622-23 Petroleum Building
Oklahoma City, Oklahoma
Formerly staff adjusters. Members of
Oklahoma Bar

C. R. WACKENHUTH

ADJUSTER

1205 East 32nd Street

Phone 2-5460

Tulsa, Okla.

TENNESSEE

HUTCHISON & McKELVY

1113 Independent Life Building

Nashville, Tennessee

Serving Tenn., Ky., Ala.
Prompt, Efficient. All Lines.

TEXAS

ALTON E. STEWART

Member Texas Bar
Republic Bank Building
Dallas, Texas

Practice before Industrial Accident Board and In-
surance Commission at Austin.
Settlement Claims trial insurance.
Cases State Federal Court.

VIRGINIA

NICHOLS COMPANY INSURANCE ADJUSTMENTS

Representing Companies Only—All Lines
Mutual Building, Richmond, Va.
110 W. Pall Mall St., Winchester, Va.
Title Building, Baltimore, Md.
Woodward Building, Washington, D. C.
Prompt and Efficient Service Since 1921

WASHINGTON

E. R. WILKINS J. A. MILOT WILKINS AND MILOT

—Investigations and Adjustments—
Automobile and All Casualty Lines
Specializing in Liability Claims
Members Washington Bar Association
410 INSURANCE BUILDING, SEATTLE

WISCONSIN

NURNBERG ADJUSTMENT CO.

General Adjuster
Fire, Windstorm, Hail, Automobile, Casualty,
and Inland Marine
Underwriters Exchange Bldg.
MILWAUKEE
528 N. Broadway Phone Daly 9629
BRANCH OFFICE: ANTIGO

WYOMING

JUDD W. CROCKER

CLAIM DEPARTMENT

402 Hynds Bldg.

Cheyenne, Wyoming

Clarence R. Ferguson
Branch Manager



—but for one man's persistence

"To think of having your fur coat disappear right there in the country club lobby," sympathized Mrs. Norcross. "And it was such exquisite mink—a serious loss, my dear!"

"Serious, indeed," replied Mrs. Harrington, "if *one man* had not persisted until he made me buy Fur Insurance. I tried to tell him I didn't want it, but he told me how fine furs attract thieves, explained how easily they are sold, and even showed me newspaper stories telling of nu-

merous fur thefts. I'm certainly indebted to him now—he saved me a serious loss."

The *one man* of this story was an F & G FIRE representative—again demonstrating that the agent or broker who persists in selling his clients needed protection is acclaimed for his persistence when a loss occurs.

* * * *

It's fur season now—and folders to help you sell Fur Insurance are yours for the asking. Send for a sample copy—today.

Consult your Agent or Broker as you would your Doctor or Lawyer

F. & G. FIRE

FIDELITY & GUARANTY FIRE CORPORATION *affiliated with* UNITED STATES FIDELITY & GUARANTY COMPANY



HOME OFFICES

BALTIMORE

U. S. F. & G.

Vital Issues Before Wisconsin Agents

Field Men Praised at Kenosha Meet

Work They Have Done in Organizing County Boards Strongly Featured

PARTICIPATE ACTIVELY

Danger of Consumer Cooperatives Stressed in Talk on Farm Insurance Situation in Wisconsin

The Wisconsin Association of Insurance Agents has never held a meeting in which field men have participated as freely as was the case at Kenosha this year. President Bird in his annual address complimented the field men on their splendid cooperation in helping the association gain new members and new boards. Thomas Larkins, state agent of the Hartford Fire and president of Wisconsin Fire Underwriters Association, described the accomplishments and efforts of the field men in this cooperative enterprise to organize county and district boards. Mr. Larkins said: "It is our purpose to establish a local agents' organization in every county of the state, or where it is not practicable to have an association in a single county to join two or three counties into one group. Since last year's meeting we have frequently been asked just what we expected to accomplish. In order that our purpose may be clear, I want briefly to outline our objective and tell you something of the results obtained during the year.

Field Men's Objectives in Organization Work

"Our objectives are to promote the best possible relations between agents and their companies; to furnish materials and methods for use in competition with the state fund; to disseminate stock company bulletins and information promulgated by the national public relations committee; a closer cooperation between agents for the gen-

(CONTINUED ON PAGE 30)

Sheboygan Situation Big Breakfast Session Topic

Seldom has any convention accomplished more good or obtained more definite results than those obtained from the breakfast session held Thursday morning. This session was unique in many ways. To begin with, field men did just as much talking as local agents. The entire session centered around the peculiar problem existing at Sheboygan. Here the Sheboygan local board recognized by the Wisconsin association and the National association has for competition another group composed of purely stock agents, stock and mutual agents and purely mutual agents. The Sheboygan board, of course, is all stock. When the Sheboygan board agents have submitted bids to municipal and county offices for insurance on public property in stock companies, the other group presents bids of mutual companies. Here they have the anomalous situation of stock company agents, mutual and stock agents and purely mutual agents, fostering mutual bids.

Seek to Get Stock Companies Out of the Second Board

The members of the Sheboygan board are up in arms over the situation and are urging the local boards in other communities in Wisconsin to get behind them in a move at least to get the stock companies out of this second so-called board. In a number of instances fleets have one of their companies placed with a Sheboygan board agency and another one of their companies placed with the other group. The board members have made threats to field men that they will resign their companies if the field men do not pick up the supplies from the non-board members representing the other companies of the fleet. The Sheboygan members are likewise urging agents throughout the state to take the same action in an effort to bring these fleet companies in line. However, it must be candidly said that in most of the cases it is non-affiliated companies that are out of line rather than W. U. A. or Bureau companies.

The breakfast session was in charge of Charles W. Hejda of Manitowoc and had as its first speaker Gus Guenther of Sheboygan. He maintained that the

Sheboygan situation could easily spread to other cities in the state and then it would be a state-wide fight rather than nipping it in the bud in one city. Rather plain words were being spoken when Harvey Girard, state agent of the Providence Washington, arose and poured oil on the troubled waters. He said: "Concerning separation against mutual companies so far as association field men are concerned it is having very serious consideration, but nobody is in a position to make a definite statement on it." Mr. Girard is in charge of the formation of county boards for the Wisconsin Fire Underwriters Association. He said that in this movement of organization of county boards in which the field men are interested, separation is very tangibly involved. It is going to be a matter of education to gradually solve this situation.

The Firemen's group was brought up as an offender in Sheboygan but President Bird was quick to cite the appearance of President Cooney of that group at the midyear meeting of the National association at Atlanta, at which he pledged adherence to the principles of the American agency system. He likewise recalled the appearance of John M. Thomas, president of the National Union, at the meeting in San Francisco at which the same pledge was made.

List of Alleged Violators in Sheboygan Is Read

August Lutze of Sheboygan read off a list of violators in the Sheboygan situation. The list contained 20 to 30 companies. He again stressed the need of cooperation from local boards in other cities in order to remove the existing Sheboygan condition. Thomas Larkins, president of the Wisconsin Fire Underwriters Association and state agent of the Hartford Fire, was called upon by President Bird. Mr. Bird said that a complaint had been received from Waukesha county that field men were writing business in that county direct. Mr. Larkins immediately said that the field club had received information on violations or so-called violations of this kind in Waukesha county and had gone to the

(CONTINUED ON PAGE 32)

Full Compensation Commission Asked

State Association Demands Return of Those Withheld, Reestablishment of Old Scale

REELECT ALL OFFICERS

Possibility of Rate War, Marine Insurance Situation in That State Attract Especial Attention

By R. W. LANDSTROM

In a sharply worded resolution the Wisconsin Association of Insurance Agents at its annual meeting in Kenosha last week insisted upon the full return of compensation insurance commissions withheld since Jan. 1, 1935, and the reestablishment of the full commission scale which was paid prior to that date. The two-day program was exceptionally well balanced, with Walter H. Bennett, secretary National association, as the headline speaker.

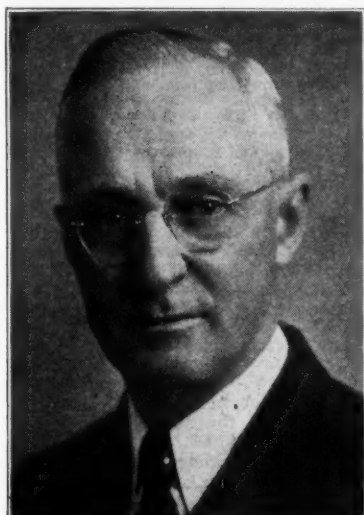
Secretary Joseph G. Grundle reported the association to be in excellent financial condition and President Hugh Bird of Beaver Dam in his administrative talk pointed out that the Wisconsin association had increased its membership, making a net gain of 79.

Last year's all-time high attendance record was broken this year with a total registration of 208. All officers were re-elected.

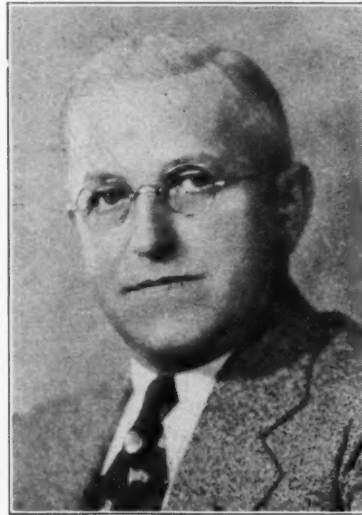
Text of Resolution on Compensation Commissions

The resolution on compensation commissions said: "The Wisconsin Association of Insurance Agents in convention assembled hereby insists that the compensation commissions withheld since Jan. 1, 1935, be paid to agents and the scale of commissions which existed prior to Jan. 1, 1935, and in principle approved by the National Association of Insurance Commissioners be reestablished."

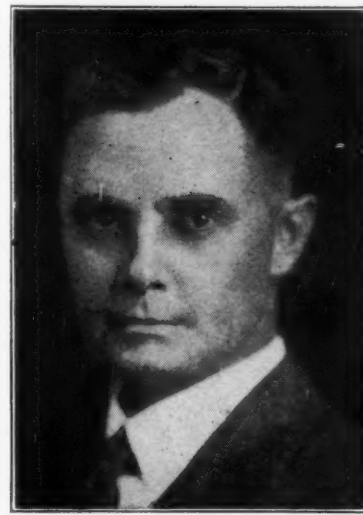
(CONTINUED ON PAGE 31)



H. A. BIRD, Beaver Dam
Re-elected President



C. W. HEJDA, Manitowoc
Chairman Executive Committee



FRED J. LEWIS, Milwaukee
National Councillor



J. G. GRUNDLE, Milwaukee
Secretary-Treasurer

Field Men Praised at Kenosha Meet

(CONTINUED FROM PAGE 20)

eral good of the business. While competition between agents is only natural, we believe that closer relations will do much to improve the standard of competition, and will perpetuate the American agency system in which we have implicit confidence. The history of the American agency system has proven that it is the best known method of conducting the business of insurance.

"We desire to promote better service to the insurance public, thereby building confidence in our business; to furnish our legislators accurate information and thus protect agents and companies against adverse legislation; prompting of good legislation to the benefit of the policyholders, thus protecting them against coverages that are mystifying and sold only on price; to sell to the local agent and the buying public the benefits of the stock company methods of doing business."

Special Tribute Paid to Harvey J. Girard

A special tribute was paid to Harvey J. Girard, state agent of the Providence Washington and chairman of the public relations committee of the Wisconsin Fire Underwriters Association.

Mr. Larkins pointed out that the field men had gone about the work in a systematic manner. They established a public relations committee consisting of a chairman, co-chairman and seven members to work with and through the local agents. These men, he showed, have given considerable study to the proposition and so have delivered a definite program. The program has been printed and a copy sent to the secretaries of the associations. It provides for the manner of organizing, the method of operation and the things for which the association stands. He made it clear that while the program was being suggested by the field men, he wanted it definitely understood that the field men were in no way dictating to the local agents as to how their association should be conducted. The organizations are there to do with as they will, said Mr. Larkins.

Reports 26 Associations Organized and Functioning

"We know that when associations are properly organized, many activities not herein mentioned will present themselves for consideration and can be worked out with credit to our business and to the men who are making insurance a life work."

Mr. Larkins' report showed that 26 associations had been organized and are functioning. These associations are functioning in 24 counties. Preliminary work in other counties is well under way. In a number of counties, Mr. Larkins said, business that has previously gone to the state fund had been regained and in several counties where an attempt was made to divert business to the state fund, they had been able to reclaim the business for agents of stock companies. He also extolled facilities of the Wisconsin Fire Underwriters Association in furnishing speakers for any association meeting at any time and assured the state association that it could always depend upon the Wisconsin Fire Underwriters organization to assist in every way in furthering the cause of the Wisconsin Association of Insurance Agents.

President Bird appointed the following committees: Nominating, Alvin W. Fox, Oshkosh, chairman; W. B. Calhoun, Milwaukee; August Lutze, Sheboygan; resolutions, W. J. Tucker, Beloit, chairman; Fred J. Lewis, Milwaukee; Monroe Porth, Milwaukee; Fred Stemm, Kenosha; R. J. Neckerman, Madison; auditing, Ralph Martin, Milwaukee; Gerry Pauly, Sheboygan; budget, Arthur Gail, Kenosha; Val Gottschalk, Milwaukee.

National Councillor F. J. Lewis, Milwaukee, in his report emphasized the educational opportunities for local agents in material prepared by such organizations as the Business Development Office, the W. U. A., the Insurance Institute of America, and the insurance press. He attacked the production branch office evil and stated that inasmuch as this practice is responsible for only a small part of the business of the average company, it could well be abandoned for the security of the company's agents. He mentioned the inroad on the business of local agents in the automobile insurance field by finance companies and said the plan developed by the London Assurance is one method of meeting the problem.

Mr. Lewis declared reduction of agents' commissions to assure company profits is unjust and economically unsound. He pointed out that numerous rates and rules have been made during the past year in various coverages, providing broader coverage at less cost, and therefore it is getting more difficult for the agent to make a profit on a small premium policy of \$15 or under. He recommended that agencies list their small premium business, attempt to build up the volume with an assured by increasing the amount or term of coverage or adding other lines, or collect premiums in advance. Supplemental coverages can often be automatically added to an assured's policy by sending out renewal with a letter explaining the advantages of the additional protection.

Tells Importance of Farm Insurance in Wisconsin

Dennis C. Smith, executive special agent America Fore farm department, discussed "Our Obligations to the Farm and Rural Agent." He said that there are hundreds of agents principally engaged in stock farm insurance in Wisconsin. He said the farm agent is important because of the enormous amount of business being produced, showing that there are hundreds of towns in Wisconsin with a population of 2,500 or less and in nearly every one of which there are one or more local agents engaged in the business of writing farm risks.

He said that the greatest source of competition to the rural agent is the "consumer cooperative movement." Producer cooperative organizations

have been growing in this country for over 50 years and now number over 2,000,000 farmers in marketing organizations that last year sold over \$1,000,000,000 worth of goods. He showed that farmers have now joined associations to buy fertilizer, seed, coal, gasoline and oil, even venturing into the cooperative ownership of electric power and light plants. He quoted W. Owen Wilson, recently elected president of the National Association of Insurance Agents, who said that business men in sponsoring class mutuals and reciprocals had been very inconsistent. He pointed out that they now have awakened to discover that the same cooperative system which they have encouraged by their support is threatening to devour them.

Agents Are Deprived of Half Million Commissions

In bringing the consumer cooperative thought home to the Wisconsin agents, Mr. Smith said: "The agents of Wisconsin are deprived of the privilege of writing no less than \$500,000 in premiums each year, commissions on which would contribute greatly to their well being. The rural agent, as I have said before, is the man who suffers most severely from cooperative enterprises. The local agent must be regarded as a retailer of insurance and as such he performs an important and useful function. Agents in the large and small cities should be keenly interested in the fight which the rural agent is making. It is your fight as well as his own."

He urged that both the Wisconsin association and the National association recognize the absolute necessity for closer contact with the rural agent in bringing him into the association picture so that he can have the help and counsel of the experienced association men.

Invitations for 1937

An invitation to have the next meeting held at Madison was extended by the Madison board. The invitation was referred to the executive committee. Rhinelander also suggested that the next meeting be held somewhat earlier in the season and that it be held at one of the resorts near that city. This seemed to strike the agents with considerable favor. It would be the first time that the meeting had ever been held that far north in the state and it was felt that holding a meeting there would undoubtedly pull many agents from that section of the state that have heretofore not attended the Wisconsin association meetings.

Active in Wisconsin Meeting



W. B. CALHOUN, Milwaukee
Former National President



L. C. HILGEMANN, Milwaukee
Chairman Legislative Committee

Sidelights on Wisconsin Men at Kenosha Meeting

Well over 200 people attended the get-together dinner and banquet. The entertainment consisted of a group of roving street singers and choral music. After the dinner the play, "Logic in Action," was given.

* * *

Wallace Rodgers, publicity manager of the Western Underwriters Association, attended all the meetings and was an interested listener.

* * *

As is customary in Wisconsin, "Bill" Calhoun was requested to render several Irish songs.

* * *

An all-time attendance record was broken last year when the meeting was held at Sheboygan, when 202 registered, but this year the record was again broken with a registration of 208, six over last year. However, Sheboygan agents defeated their own record by sending 16 agents to the meeting.

* * *

The Royal-Liverpool group presented each attendant at the meeting with a very handsome memorandum book imprinted with "Wisconsin Association Meeting" on the front cover.

* * *

The Home of New York had its usual open house, which was inaugurated at a Wisconsin meeting several years ago, at which beer and several kinds of Wisconsin cheese were served. It was under the direction of State Agent Cornell Anderson.

* * *

The Hartford Fire group, with Tom Larkins, state agent, served tasty appetizers at its headquarters.

* * *

A letter was read from Earl E. Fisk of Green Bay, expressing his regret at being unable to attend. Mr. Fisk has been attending Wisconsin association meetings for many years.

* * *

Harvey Girard, state agent Providence Washington, was called upon at the banquet to render a vocal solo.

* * *

Clarence R. James, special agent Aetna Fire, spoke last Monday before the Manitowoc, Wis., local board on "Stock Fire Insurance."

* * *

All sessions of the meeting were held at the Elks Club, a very spacious structure and well designed for a meeting of this type.

* * *

The local newspapers of Kenosha carried very fine stories of all the sessions.

* * *

Considerable credit should go to Joseph G. Grundle, secretary of the Wisconsin association, for his unusually fine handling of all convention details. Mr. Grundle has been secretary for many years and Wisconsin association meetings are run on an orderly basis without any confusion.

* * *

L. C. Hilgemann of Leedom, O'Connor & Noyes, Milwaukee, spoke the day before the meeting on "Stock vs. Mutual Insurance" to the Credit Men's Association of Appleton.

* * *

W. C. Boorn, associate general agent western department Hartford Fire, attended the meeting and was called upon for a short talk.

* * *

C. R. Street, Chicago, vice-president Great American, was in attendance and was called upon by President Bird for a talk. He urged closer cooperation between agents and companies.

* * *

Young E. Allison of the western department of the Pearl was an interested listener at all the sessions.

Secretary Grundle's Report

The report of Joseph G. Grundle, secretary-treasurer, showed the Wisconsin association to be in excellent financial condition. The net worth of the association during the year has increased from \$1,073 to \$1,621 the money being in banks and building and loan stock.

"I consider the book a great investment for the fieldman," says one user of the accident and health Time Saver. Write this magazine for full information.

Full Compensation Commission Asked

(CONTINUED FROM PAGE 20)

President Bird touched on this compensation situation in his administration report when he said: "A conference with our commissioner of insurance failed to secure approval of the increased rates that the carriers requested, and correspondence with William Leslie, associate manager National Bureau of Casualty & Surety Underwriters, likewise failed to win a restoration of our former commission schedule. We are hopeful, however, that further developments may bring a more encouraging report by the next administration."

Possibility of Rate War Brought Out by Bird

Mr. Bird reported that the executive committee had held 12 meetings throughout the state. In addition he said that members had responded frequently to calls to assist local boards in organization work. Among the problems handled during the year by the executive committee and other members of the association were workmen's compensation matters, the marine situation, threat of a rate war, membership campaign, local board organization and prospective legislation. He called upon the members to "think clearly and be on the alert for the possibility of a rate war." He said: "Filing of a 20 percent deviation in rates has been made by a stock fire company in its application for admission to the state. After long comparative freedom from this sort of competition your officers are deeply concerned lest this become the signal for other non-affiliates to cut loose and thus precipitate a war that will be disastrous for all of us."

Hope for Solution in Marine Insurance Tangle

In commenting on the marine insurance question Mr. Bird said: "More and more within the experience of agents is becoming emphasized the abnormal situation of the companies competing with themselves, department against department, as between fire and marine business. Our insurance commissioner has taken notice of this inconsistency and has issued certain rulings on the subject and the problem is being considered in both company and agency ranks. We have hopes of a satisfactory solution and adjustment."

He was lavish in his praise of the fine cooperation of the field men of the state in helping the association form county boards throughout the state. Some 30-odd county and district boards have been formed through the activities of the field men.

Bennett Urges Change in Standard Mortgage Clause

Walter H. Bennett suggested a change in the standard mortgage clause in the interest of agents. He cited a query from an agent in which the latter asked if he could properly bring suit against the mortgagee for premium which the owner of the property could not or would not pay. There was attached to the policy the New York standard mortgage clause which is generally used in a large part of the country. This clause does not obligate the mortgagee to pay the premium. The New York clause reads: "This insurance, as to the interest of the mortgagee, shall not be invalidated by any act or neglect of the mortgagor, provided, that in case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) shall on demand pay the same."

Court Decisions Not Unanimous on Subject

This clause places in the hands of the mortgagee an option to pay the premium and thus preserve the insurance. If he decides not to exercise such option and does not pay the insurance premium he forfeits the right to have

the insurance premium remain in force. Mr. Bennett added: "You will note this is quite a different case from any legal liability on the part of the mortgagor to pay the premium whether he wants to or not."

He showed that court decisions in various parts of the country are not entirely unanimous on the question. He urged that the form used in Louisiana, California and West Virginia be used in place of the New York form, the form reading as follows: "Provided that in case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) in consideration herein covenants and agrees with this company, on demand, to pay the same."

Liability Imposed by "Safe Place Statute"

O. B. Sullivan, claim attorney at Milwaukee for the Aetna Casualty & Surety, discussed the liability imposed by Chapter 101 of the Wisconsin statutes, generally known as the "safe place statute." Mr. Sullivan reviewed the events leading up to the passing of the compensation law, showed that later safety provisions were added to it and then finally the safe place statute. The law points out, he said, that in addition to having the place safe for employees, it must also be safe for frequenters. The law also included places of public assembly and in 1921 was amended to include schools and charitable institutions. The law defines a public building and it also defines safety, but the definition of safety is such that it has to become a jury question.

Mr. Sullivan said: "If the factory owner or building owner or landlord knew this law he would consider his public liability just as important as his fire insurance." He pointed out that an agent could look almost anywhere for prospects for public liability insurance, showing the absolute necessity of it through a thorough explanation of the law to the prospect. Such prospects as Y. M. C. A.s, Y. W. C. A.s, churches, armories, skating rinks, stores, restaurants, filling stations, theatres, etc., an endless chain of prospects.

Liability Insurance of Value for Two Reasons

He stated furthermore that public liability insurance itself will be of great value for two reasons. First of all, he said, the public liability contract will afford the assured an inspection of his property. This means that many hazardous conditions will be removed by the inspection. If the assured buys a public liability contract and an accident occurs a trained investigator will be there promptly. He is an experienced man. He takes photographs, etc., which a commercial photographer can identify as having been taken by him. He will get witnesses, he will have them relate their version of the accidents. He will get affidavits, he will get a good physician to attend the injured, in all he will have the entire case thoroughly investigated immediately after it happens.

Later, if suit is brought, the assured comes to the agent with the summons, the agent sends the material in to the company and the company will hire his attorney and thus a defense fund is immediately created for him. Then if no settlement is made prior to trial the suit will go through to judgment and again the company pays the judgment. He urged all agents to carefully study the law and be well versed in it. He said it is an ordinary presumption on everyone's part that schools and charitable institutions are presumed to be free from suit but the "safe place" statute definitely puts them under the law.

W. J. P. Aberg, Madison attorney, commenting on "Automobile Insurance Trends in Wisconsin" urged automobile writing companies to adjust themselves

Your Company Connection Should Be More Than Just An Agency Contract.

You Want—

- a sound, conservative Mutual Company.
- a Company which will not sell out nor reinsure.
- low cost insurance to sell.
- liberal commissions including renewals which are vested.
- unrestricted territory; equal opportunity; the right to build an agency of your own.

For Information, write

Agents of **Guardian Life**
Insurance Company

Guardian Life
Insurance Company

enjoy these features to the fullest possible extent.

Home Office:
Madison, Wisconsin

Paul F. Cranefield
Director New Business Department

Chris Schroeder & Son Company

Milwaukee

General and Local Agents

ALL LINES OF INSURANCE

210 East Michigan Street

Telephone Dally 1951

O. H. GAEDKE, Pres.

A. A. MILLER, V. Pres.

A. L. FISCHER, Secy.

Gaedke-Miller Agency

611 N. Broadway, MILWAUKEE
Daly 2526

General Agents Wisconsin and Northern Michigan

LEEDOM, O'CONNOR & NOYES

Full Facilities for Brokerage on All Lines

825 North Jefferson Street, Milwaukee, Wisconsin

FISH & SCHULKAMP

General Agency, Inc.

MADISON, WIS.

to present day conditions rather than attempt to repeal existing statutes. He explained the old liability contract issued by insurance companies which was on indemnity contracts and how the carrier's liability was broadened by law in 1931 which made the insurance carrier "a proper party defendant." He pointed out a serious hazard to companies in the fact that Wisconsin has no guest rider law and consequently a passenger when in a car as guest can sue the driver. He said this is a very common class of litigation and although many attempts have been made to get a law through the legislature, it has been defeated several times through the efforts

of the Wisconsin Federation of Labor. The court has further enlarged the scope of liability by permitting husband and wife to sue one another in automobile cases and there is the anomalous situation of a recognition by the court that parties can be adverse who bear to one another the most intimate relationship known to society. Such litigation is now accepted by the bench and bar as being perfectly proper and ethical despite the unmistakable fact that it cannot exist without collusion and collusion should bar recovery. He showed that large verdicts are becoming the tendency due to the so-called "interpleader statute" under which in a serious accident involving several people all become party to the suit as plaintiffs and defendants. Mr. Aberg described the financial responsibility law of 1935 as being the answer to the compulsory insurance advocates as well as the advocates of a state fund. He said that the law had unquestionably increased the volume of liability insurance of the state and should continue doing so until at least 75 to 80 percent of the cars in the state are insured.

Sheboygan Situation Big Breakfast Session Topic

(CONTINUED FROM PAGE 29)

bottom of the case, but the evidence was only hearsay. Mr. Larkins insisted that the field men must have definite and specific information before they can proceed. He then said: "Then we will go as far as we can. We cannot force a man or his company to stop this practice but we can make it uncomfortable."

The breakfast roundup was ended by a talk by W. B. Calhoun of Milwaukee, who paid a high tribute to Mr. Girard for his talk and likewise thanked all the field men for the most excellent cooperation that the Wisconsin association has been receiving during the past year.

Electing "Right" Members of Legislature Is Urged

In his report as chairman of the legislative committee L. C. Hilgemann urged the election of "right" members of the assembly.

"By right I do not mean Republicans or Democrats or Socialists," he said, "but people who will give the insurance business the right break."

He said that the county boards of Wisconsin can do much toward fostering the deeper interest on the part of legislatures in insurance affairs and that local agents should take a more active interest in politics.

"By that I do not mean that you should be particularly interested directly in politics," he said, "but interested in politics to the extent that it affects the insurance business."

He declared that certain businesses are political pitfalls, such as the insurance business, public utilities, railroads, etc., and that it is the duty of every insurance man to promote the interest of the business as closely as he possibly can.

Dauwalter to Speak Twice

SAN FRANCISCO, Oct. 21.—F. S. Dauwalter will address a meeting of all field men of northern and central California here next Monday morning. At noon he will be the principal speaker at a meeting of the San Francisco Blue Goose.

Two Resolutions Adopted at Wisconsin Agents' Meet

These resolutions were adopted:

"Whereas the insurance department of the state of Wisconsin disallowed compensation insurance rates alleged by the National Bureau of Casualty & Surety Underwriters to be necessary, and certain insurance companies on Jan. 1, 1935, reduced agents' commissions to offset the expected Wisconsin rate deficiency and

"Whereas, the general compensation experience has been materially better than anticipated and has not warranted such reduced commissions, and

"Whereas, the Wisconsin Association of Insurance Agents deplores such illogical, unreasonable and unjust violation of said companies of the principles of the American agency system in reducing the just compensation of agents to offset anticipated inadequacy of rates over which the agent has no control and in the establishment of which the agent has no voice,

"Therefore, be it resolved that the Wisconsin Association of Insurance agents in convention assembled hereby insists that the compensation commissions withheld since Jan. 1, 1935, be paid to agents on the scale of commission existing prior to Jan. 1, 1935, and the principle approved by the National Association of Insurance Commissioners, be reestablished.

"Resolved: That this 30th annual meeting of the Wisconsin Association of Insurance Agents wishes to extend to the city of Kenosha, the Kenosha Association of Insurance Agents, the Elks Club, the local and trade press and to all who have given so liberally of their time and effort, its heartfelt and sincere thanks and appreciation for this so signally successful convention."

Pluckings From the Blue Goose Annual Convention

(CONTINUED FROM PAGE 17)

chairman, and E. I. Hoyle was a member of this committee. H. K. Lininger performed as chairman of the publicity committee; E. R. Smith, finance; J. C. Hayden and Drew Whitehusst, reception; Rex W. Kendall, transportation; Z. M. Lang, hotel; F. C. Newcomer, entertainment; R. M. Miller, registration and credentials; Ray L. Maxwell, golf; Ellis H. Clarkson, dance; W. Lyle Dickey, Tulsa, home office; J. K. Shepherd, Little Rock, co-host.

The ladies' committee was headed by Mrs. Rex Kendall, chairman, general committee. Mrs. Austin Rittenhouse was chairman of the luncheon committee; Mrs. Clarence Kelley, program; Mrs. Drew Whitehurst, flowers; Mrs. Eugene Goetzinger, circle tour; Mrs. Geo. Wyatt, bridge; Mrs. H. K. Lininger, tea. Members of the Oklahoma City Insurance Women's Club acted as assistant hostesses at the Bar-B-Q.

There were a large number of ladies present this year and excellent entertainment was provided for them. Each member of the ladies' committee performed in fine style. The visiting ladies were much impressed with the many courtesies extended to them.

T. Ray Phillips, Oklahoma City, who presided at this year's meeting as most loyal grand gander, made a big hit with the delegates and visitors by the way in which he conducted himself during the business sessions and throughout the entire meeting. As chairman, he performed in excellent style. His comment was always of an intelligent nature and right to the point. He kept the meeting going at a lively clip. T. Ray, as he is familiarly known by his many friends, covered himself with glory.

Inspection bureau men attending had a breakfast. Those in attendance were John Freeman, Jr., Richmond, Va., chief engineer, Virginia Insurance Rating Bureau; J. C. Dickerson, Oklahoma City; A. J. Anderson, Oklahoma City; T. F. Williamson, Oklahoma City; E. H. Richards, Oklahoma City; Luke H. Ballard,

Topeka, Kan.; Ewing B. Fergus, Wichita manager; I. B. Murray, Tulsa manager; C. W. Cook, Butte, Mont., district secretary Pacific board; W. C. Drake, Atlanta, special agent Georgia Inspection Rating Bureau; W. W. Sampson, Jackson, Miss., manager Mississippi Rating Bureau; C. W. Harris, assistant manager Alabama Inspection and Rating Bureau; J. M. Lester, Little Rock; John F. Kell, Baltimore, district secretary middle department; Paul M. Fell, Philadelphia, and C. T. Ingalls, Oklahoma City, manager Oklahoma Inspection Bureau.

Arnold Hobson, Hartford, Conn., superintendent automobile department, National of Hartford, attended the grand nest meeting and remained over for the agents' meeting on Friday.

R. M. Miller reported for the credential committee.

The Oklahoma pond presented ladies in attendance with clever and unique pottery water jugs, made in Oklahoma. The jugs were blue with a raised figure of a blue goose in flight on one side and the inscription, "Oklahoma Pond 1936" on the other.

WISCONSIN Accident & Health Insurance Company

A Wisconsin Company
for Wisconsin People

A FRIENDLY dependable company writing a complete line of salable modern accident and health policies for both men and women. Liberal claim service with prompt adjustments.

WISCONSIN is our exclusive territory, and because we are so close at hand and have such a thorough knowledge and understanding of local problems we are better able to give prompt, efficient service to the agents of the state.

ATTRACTIVE agency openings for responsible men. Write for full particulars to

R. W. Campbell, President
M. & M. Building, Milwaukee, Wisc.

Fred J. Lewis, Pres. C. J. Schwarten, Vice Pres.

GEO. H. RUSSELL CO.

General Insurance

Personal and Engineering
Service on Brokerage
Lines

Milwaukee, Wis.

The Time Insurance Company

Wisconsin's
Pioneer Company in
Accident and Sickness
Insurance

[AGENTS
WANTED]

Security Building
Milwaukee, Wis.

Val. Gottschalk Edwin C. Sendorf

Gottschalk Agency

213 W. Wisconsin Avenue
MILWAUKEE

E. H. "Count"

MUELLER

GENERAL AGENT

PACIFIC MUTUAL
LIFE INSURANCE CO.

Accident & Health Insurance

208 E. Wisconsin Ave.
MILWAUKEE, WISCONSIN

W. B. CALHOUN,
President

ROBERT E. HACKETT,
Vice-President

ALLEN R. CALHOUN,
Secretary-Treasurer

"We Want
Your Business"

CALHOUN INSURANCE AGENCY

CALHOUN BLDG.,
2012-14 North Farwell Ave

Telephone Lakeside 3788

MILWAUKEE, WIS.

Oklahoma Insurors in Annual Meeting

Revitalized State Body Progressing

Saint Given Much Credit at Meeting for His Successful Efforts

VIEW CASUALTY LINES

Attitude to Take Toward Finance Companies Discussed—Wilson Gives Views—President Reports

By W. A. SCANLON

A reorganized and revitalized Oklahoma Association of Insurors met in Oklahoma City for its annual convention. During the past year a most important step was taken. John D. Saint is manager. He is giving his full time to the position. His record is one of achievement. He has put new life into the organization. The membership has shown a large increase and all over the state agents are taking more interest in the state body and, too, the field men traveling in Oklahoma are working in close harmony with the agents' association.

Mr. Saint has been cooperating with the state insurance board and through it several changes of benefit to the agents have been inaugurated.

Praise Mr. Saint

The members of the state association are outspoken in their praise of the work being done by Mr. Saint and are enthusiastic over the prospects for the future. He was given a vote of confidence.

The reading of the president's annual report, the administration report by Vice-President R. H. Farnham, Duncan; the report of Manager John D. Saint, an address by J. S. Adams, Oklahoma City, on "Our Insurance Program," and the reading of a paper by J. Stewart Pearce, Tulsa, with reference to the developments in the casualty field, occupied practically all of the first morning session.

Mr. Adams stated the agency licensing provision, properly administered, would be a splendid thing for the business. He claims there are at present at least 1,500 or 1,600 men licensed in Oklahoma City, and that a very small number of these men write the bulk of the business. He urges the companies and agents to work together to the end that many unqualified agents be eliminated.

Casualty Conditions Chaotic

In commenting on casualty insurance, Mr. Adams said conditions in this field have been chaotic; policy contracts in many cases contain many exclusions and restrictions. He is much pleased with the uniform automobile contract which has been adopted. The conference committees have accomplished much good. He approves the filing of rates with the state insurance board, which now makes all rates mandatory. This applies to all classes of companies, he said.

J. Stewart Pearce, Tulsa, who was elected president at this meeting, told of the tremendous growth in the volume of casualty business. He pointed out that the premiums in this line will now reach a total of \$990,000,000 a year, that there are many difficult problems to be

(CONTINUED ON NEXT PAGE)

Great Activity Is Shown

Notes and Comment on Oklahoma City Gathering—New President from Large Agency—Companies Maintain Headquarters

J. Stewart Pearce, the newly elected president of the Oklahoma Insurors, is a member of the firm of Pearce, Porter & Martin, Tulsa, Okla., which is one of the largest in the state. Several years ago Mr. Pearce was president of the association. He spoke at this year's meeting. He has been active in association affairs for many years. He has attended several meetings of the National association and has done much committee work for the National organization.

The resolutions committee was composed of H. B. Owens, Bartlesville, chairman; Chester Gates, Seminole; Carroll Spangler, Altus; J. M. Figley, Woodward, and Buford Breeding, Oklahoma City.

Members of the nominating committee were J. C. Kennedy, Lawton, chairman; E. B. Clark, Hooker; L. G. Cary, Chickasha; Stanley Shelor, Muskogee, and George MacCurdy, Tulsa.

M. H. Grannatt, New York, western manager Royal-Liverpool groups, and John A. Bosdett, Oklahoma City, state agent, entertained some 50 of their Oklahoma agents at a luncheon. Both Mr. Grannatt and Mr. Bosdett were speakers at this year's meeting. The companies distributed a spiral memorandum book to all those in attendance.

The Home group held open house during the meeting of the Oklahoma agents. William Quaid, New York, vice-president, and Arthur Borg, advertising manager, acted as hosts together with E. R. Smith, state agent, and Special Agents C. H. Kelley, R. E. L. Mugg, H. C. Melton, R. H. Sherman and Charles L. Tea.

The United States Fidelity & Guaranty headquarters were in charge of Leslie C. Williams, Oklahoma City; Will Love, Atlanta, superintendent southern territory; W. F. Moffett, field superintendent, and Homer H. Minnick and

The two silver cups in possession of the Oklahoma Insurors were on exhibition during the Oklahoma meeting. One was awarded for the largest increase in

membership among the state associations; the other was presented by Frank T. Priest, Wichita, to the Oklahoma men because of the fact that the membership in the Oklahoma association is larger than that of the Kansas organization.

Bryan Lettch, manager at Oklahoma City, and W. N. Williams, special agent, maintained headquarters for the Fidelity & Deposit.

W. Lyle Diekey and Sam H. Stewart of the American Agency Company, Tulsa, general agent, were on hand.

L. N. Ewing, Tulsa, general agent, was among those present.

M. E. Peterson, Chicago, assistant secretary Springfield group, was a visitor.

O. A. Maxwell, Dallas manager Standard Accident, was on hand and spoke briefly.

Some 30 agents of the Central Surety attended a luncheon as guests of the company. The home office was represented by Vice-Presidents Ray McGinnis, and Herbert P. Linn and George Dyer, superintendent automobile department, Harold Strayer, Oklahoma City manager, was in general charge of arrangements for the luncheon.

The Kansas City Fire & Marine distributed a booklet containing the names of all those registered at the meeting. O. P. Rush, vice-president, and John E. Wilkinson, Oklahoma state agent, were the company's representatives.

Miss Eva Gregg, supervisor of licenses of the state insurance board, who has done considerable work of benefit to the agents of the state, was warmly received.

W. Owen Wilson, Richmond, Va., newly elected president of the National association, said that the Oklahoma meeting was his first state meeting at which he had spoken since he has been named president.

President Clarke introduced Cornelius M. Smith, Oklahoma City, most loyal gander, Oklahoma Blue Goose, who in turn presented H. B. Leuty, Vancouver, newly elected most loyal grand gander.

J. Stewart Pearce Elected President

Strong Resolution on Acceptance of Over-the-Counter Business Is Adopted

TO LIMIT SURVEY AGENTS

Favor Restriction in Appointments, Urge Lower Commission Than for Policy-writing Offices

NEW OFFICERS ELECTED

President—J. Stewart Pearce, Tulsa. Vice-President—John J. Moffett, Muskogee.

Secretary-treasurer—L. I. Baker, Oklahoma City, (re-elected).

Executive committee: J. C. Kennedy, Lawton; George MacCurdy, Tulsa; Clifford Wetzel, Ponca City; C. Ray Lawyer, Henryetta; H. E. Wilkins, Bartlesville, and Harry Frantz, Enid.

A strong resolution on over-the-counter business was adopted by the Oklahoma Association of Insurors at the annual meeting in Oklahoma City. Oklahoma agents feel resentful of the fact that some companies are accepting this business from agents not licensed for that particular company and from so-called survey agents. The association feels that companies should order their field men, general agents and branches to cease writing and countersigning policies for those not licensed as agents for such companies. In the case of fire companies writing so-called survey business, it was held that survey agents should not be paid the same scale of commissions as received by agents who assume the expense of writing and servicing business and maintaining their own offices. The resolution urged the enactment of a bill patterned after the one in effect in California and Georgia providing that resident licensed agents upon payment of a high license fee and posting a \$5,000 bond may obtain a license to place the business of non-entered companies where entered companies reject or are unable to provide a market for the business. A 2 percent premium tax should be required on such business and survey agents' appointments would be restricted to towns of less than 5,000 population.

The stock company agency bulletins issued by the Western Underwriters Association were commended in a resolution.

Commend Bulletins

The work of Charles F. Thomas, manager Western Underwriters Association, in distributing its "Stock Company Agency Bulletin" was commended in a resolution. Another resolution was to the effect that all official communications and statements of policy of the state association come only through the state manager's office.

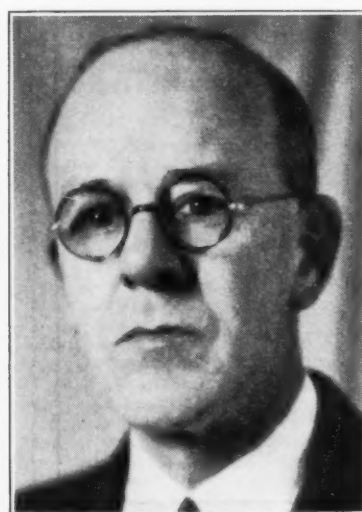
Confidence and deep appreciation were expressed in a resolution for the work of Sharpe W. Philpott, secretary Oklahoma Insurance Board, for the improvements which have already come to the insurance business in Oklahoma.

R. H. Siegfried, Tulsa, brought in the report of the resolutions committee. All of the resolutions presented

Direct Oklahoma Activities



J. STEWART PEARCE, Tulsa President



JOHN D. SAINT, Oklahoma City Manager

were adopted, except one in opposition to the proposed compensation retrospective rating plan. Mr. Siegfried is opposed to this plan being put into effect in Oklahoma and stated his views in a very certain manner.

J. Stewart Pearce, Tulsa, who was in favor of such a plan, took the opposite side of the question. It was decided to not take any definite action on the matter at this time, but to refer it to the incoming executive committee.

WITH OKLAHOMA INSURORS

E. A. Henne, Chicago, vice-president America Fore, spoke briefly. He said he was not unfamiliar with Oklahoma as he traveled that state as a field man several years ago. He urged closer cooperation between the companies and the agents.

John D. Saint, manager of the Oklahoma association, was dubbed by one of the agents as "The Patron Saint."

T. Ray Phillips, Oklahoma City, immediate past most loyal grand gander, told the agents he was grateful for their assistance in taking care of the many visitors during the grand nest meeting.

E. Woody Clarke, Oklahoma City, president of the Oklahoma Insurers during the past year, presided at all of the business sessions and performed in a very satisfactory manner. His administration has been a highly successful one and the agents appreciated very much the splendid work he has done in their behalf.

Many of those attending the agents' meeting were present at the banquet and dance given by the Blue Goose. Because of this banquet the local agents decided not to hold a banquet.

In framing the program this year, consideration was given to providing ample time for discussion of any subject desired by those present. This enabled President Clarke to give every one an opportunity to be heard. There were certain periods set aside for discussion and several took advantage of this opportunity.

Revitalized State Body Progressing

(CONT'D FROM PRECEDING PAGE)

solved in connection with this class of business. He dwelt at some length on compensation retrospective rating.

President Clarke called on several agents to comment on the work of Manager Saint. Among those who told of the accomplishments in reorganizing the state association during the last nine months were E. R. Ledbetter, Oklahoma City; R. H. Farnham, Duncan; Guy M. Landes, Tulsa; William F. Stahl, Tulsa; Buford Breeding, Oklahoma City, and Addison Sessions, Okmulgee.

At the executive session in the afternoon, President Clarke urged the members to get behind Manager Saint and accept any and all assignments. He stated Mr. Saint would be quite busy on legislative matters and would need the assistance of many members.

Mr. Saint is anxious to have all complaints, both minor and major, sent to him so that he will have a real picture of the situation. It was stated that there is no question but what there is still considerable chiseling in Oklahoma, and it was pointed out that agents should report all such conditions. President Clarke commended the attitude of the company field men in cooperating so splendidly with the agents.

Law in Effect 20 Years

The agents were informed that for 20 years there have been laws in Oklahoma requiring qualification of agents, but that the agents themselves have been asleep, they have not taken advantage of it all this time. They did not realize that the insurance board and the commissioner had such powers. Agents now will have to qualify and each year more and more will be eliminated until the state will be ahead of other states in this respect.

John J. Moffett, Muskogee, reported

that the state association is now operating on a budget based on an annual income of \$10,000, but the actual income during the past year was only \$7,800. He advocates the building of a reserve for any contingency.

Harry Frantz, Enid, inquired as to the attitude of the association on the licensing of strictly automobile financing companies and building and loan associations. Manager Saint stated in some sections building and loan associations were operated on a sound business basis, while in other localities this is far from true. He deplored the fact that insurance should be tied up with building and loan. W. Owen Wilson, president, National association, said this is a problem of the National association, as well as the local body. He declared the last thing to do is to drive the small finance companies out of business. The finance business is divided into two classes—major and minor accounts, the latter being those of \$100,000 or less. In his opinion, the major account division is gone as far as the local agent is concerned, but that the minor account division is important and that agents must move very cautiously.

Stock Insurance Day

The second day was designated as stock insurance day. Speakers in the morning were President Wilson of the National association; Sharpe W. Philpott, secretary, Oklahoma Insurance Board. The board has tried to keep in touch with the agents and the companies and their program of insurance in the state, Mr. Philpott said. There will be no deviating from his present course, he said.

John A. Bosdett, Oklahoma City, state agent Royal-Liverpool group, spoke at the afternoon session on the "Business Development Office." At the conclusion, Mr. Saint expressed the opinion that the companies are not going to try to help the agent who is not trying to help himself. He is a little afraid that many agents will not use the material sent to them by the companies. He feels that meeting mutual competition is an individual responsibility for each agent and calls for salesmanship on the part of agents. He appealed to the agents to take advantage of the modern approach to mutual competition, not to lose this opportunity and to make good use of the literature sent to them by the companies.

Uniformity Needed

During the executive session, Buford Breeding, Oklahoma City, stressed the great need for uniformity in rate manuals. He said: "There are many different sizes and types of manuals." He believes all interested authorities should get together and devise a page of the same size which would fit in each of the manuals.

This suggestion met with the hearty approval of practically all the agents

Reelected



L. I. BAKER, Oklahoma City
Secretary Oklahoma Association

Membership Record Set by Oklahoma Association

During the last year the Oklahoma Association of Insurers has increased its paid membership to 335 and the number of functioning local boards from five to 26, due to the efforts of John D. Saint who has been manager since Feb. 1. The accomplishments of the administration were outlined by R. H. Farnham, Duncan, executive committee chairman. Great industry on the part of Mr. Saint was necessary in setting the record. For the past eight months he has travelled 9,347 miles. His original goal was 250 members.

and Manager Saint is authorized to put this proposition before all of the interested authorities throughout the country.

The operation of credit exchanges by local boards was discussed by J. J. Moffett of Muskogee. The agents in Muskogee have been quite successful with their credit association and the mechanics are handled with ease. Much has been accomplished in the collecting of accumulated earned premiums which were unpaid. He urged those present to give serious thought to the organization of such an exchange if one is not already in operation.

Justifying Public's Trust with Sound Cover Urged

Agents were urged to justify the public's trust by John D. Saint, manager of the Oklahoma Association of Insurers, at the organization's annual meeting in Oklahoma City. It is the agent's duty to see he represents only safe, sound and solvent companies and place his clients' insurance with companies whose ability to pay in time of loss is beyond question. An agent, viewing the wreckage of a ruin which is insured, becomes the keyman between restoration and ruin; he senses a deep pride in his business when he can assure the distressed owner that his loss will be replaced. "Our interests are not selfish and our pay not an unearned cost attached to the policy; our civic and commercial value is a productive asset to the policyholder, more valuable to the policyholder than many of the other expert services he employs." He urged the agents to take an active part in automobile safety work.

Stresses Strength

The value of the unearned premium reserve and the policyholders' surplus in considering the financial strength of stock companies was brought out by John A. Bosdett, Oklahoma chairman of the Business Development Office. The ratio of the surplus and reserve to net premiums constitutes the best measure of a company's security available to its policyholders, he said. "We owe it to the insuring public to furnish maximum protection at a minimum cost, consistent with the security of indemnity. Once we have developed a minimum of cost, we should forget the element of price and sell security of indemnity, which, in the final analysis, is what the property owner is seeking when he purchases insurance," declared Mr. Bosdett.

In his report as president, E. W. Clarke outlined the action taken to bring Oklahoma to the fore as an active association. Further attention will be given to the building of membership and exchange fortification. "We started out to carve a new day in insurance and bought no round trip ticket," he declared.

The Blanchard & Calhoun Realty Co., Augusta, Ga., has opened a life department with Isaac Ried as manager and will represent the Aetna Life.

Au Revoir Oklahoma Agents

... we enjoyed having you in Oklahoma City for your annual meeting ... we hope you will come again soon ... we wish you the best of luck and success. ...

F. Wiley Ball

Braniff Insurance Agency

Ancel Earp & Co.

H. L. Farish & Co.

Ledbetter Insurance Company

Workman-Carlin Company

The NATIONAL UNDERWRITER

October 22, 1936

CASUALTY AND SURETY SECTION

Page Thirty-five

Give O. D. Setup State-by-State

Air Hygiene Foundation Completes Survey of Laws in Various Jurisdictions

UNIFORMITY IS LACKING

Compensation for Disease Is Granted by Law in 17 States and District of Columbia

Sharp conflicts among the laws of the various states governing compensation for workmen injured in industrial accidents, compensation for workmen contracting occupational diseases, and physical examination requirements for employment, are disclosed in the findings of a nation-wide legal survey made public by the Air Hygiene Foundation, the headquarters of which are at Mellon Institute, Pittsburgh. This study notes a liberal trend in some states to award compensation to sufferers of occupational diseases.

The survey involved the examination of all legal literature for "statutes and court decisions respecting occupational disease from air pollution." It was directed by Attorney H. A. Middleton of Toledo.

"Gradual" Injuries Recognized

"The guiding principle in the early acts," the review continues, "was the awarding of compensation for accidental injury, meaning thereby traumatic injury. In those years the importance of disability due to occupational disease was not greatly recognized."

"It, however, became increasingly apparent that 'injury' might be suffered gradually, and that the result of such general breakdown of the strength and resistance of the employee was more serious in many instances than traumatic injury."

"Courts, therefore, in some states, wrestled with the problem of construing 'injury' so as to include disease, and bring disease within the compensation acts."

Situation in Maryland

Maryland is cited as one of these states. There, it appears from court decisions, a diseased condition contracted in employment is compensable if caused by the negligence of the employer.

In discussing the confusion existing because of the differences in the laws, the report explains:

"Each state is a unit, a sovereign, and it handles its problems in its own way. Uniformity is lacking, although, of course, the statutes of many states are similar. The courts of the various states follow such precedents as appeal to them; consequently, on many important questions, there is likely to be a divergence of opinion among the courts, and often the courts fall into two or more

(CONTINUED ON PAGE 47)

Recast Setup, Management of Two Big Organizations

LESLIE IS BUREAU MANAGER

Beha General Counsel for Executives Body and Bureau—Modify F. Robertson Jones Duties

NEW YORK, Oct. 21.—The long anticipated changes in setup and reassignment of management personnel of National Bureau of Casualty & Surety Underwriters and Association of Casualty & Surety Executives were finally de-



WILLIAM LESLIE

cided upon at a meeting of the executives body yesterday afternoon and of the bureau this morning.

J. Arthur Nelson, president New Amsterdam Casualty, was elected president Executives association, and J. M. Haines, U. S. manager London Guarantee, vice-president. F. Robertson Jones, formerly manager, will hereafter function as secretary, while Claude W. Fairchild, was reelected assistant manager, and named acting manager pending the selection of a permanent appointee.

The announcement of these important changes was made in a joint statement of the executives association and National Bureau.

Beha's New Duties

J. A. Beha, formerly general manager of the bureau, will now serve as general counsel of both the executives association and bureau.

William Leslie, formerly associate general manager, becomes the general manager of the bureau. E. E. Robinson was reelected secretary.

The National Bureau henceforward will be strictly a rate-making organization. Its accident prevention and fraudulent claim detection work is being turned over to the executives association.

Tribute was paid F. Robertson Jones for his 24 years' service as general manager of the executives' association and its predecessor, the Workmen's Compensation Publicity Bureau.

Chicago Group Discusses Disability Claim Problems

REHABILITATION METHODS UP

Addresses Given at Sessions of International Claim Association Reviewed at First Fall Meeting

The first fall meeting of the Chicago Claim Association, following a dinner on dining cars of the Milwaukee railroad at the Union Station, was devoted to a review and discussion of addresses given at the annual meeting of the International Claim Association.

A. G. Fankhauser, Continental Casualty, who was chairman at a round table session at that meeting devoted to discussion of some special aspects of claim problems, and a member of the program committee of the International association, told some of the points that especially appealed to him in the various addresses. He said the talk by Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, on

(CONTINUED ON PAGE 47)

Futz Is Peeved Because He Was Not Recognized

EIGHTY-FOUR, PA., Oct. 21.—There was considerable gloom in this community when the National Association of Insurance Agents announced the membership of its executive committee and it was found that our energetic, very useful insurance man, Joseph Futz, was not given an appointment. Mr. Futz attended the momentous convention of that organization at Pittsburgh and was instrumental in bringing about a number of reforms. He also initiated the candidacy of the new president, W. Owen Wilson of Richmond, Va. Owing to Mr. Futz' activities and high reputation as an expert in insurance in this locality, it seemed to be a foregone conclusion that he would be honored by becoming a member of the committee.

Mr. Futz in commenting on the situation said: "I was assured by Owen Wilson and Walter Bennett that I would be appointed on the executive committee because in their opinion there was needed in this organization one close to the people and an insurance man who knew how to dig up grass from the very roots. The reason that I was sidetracked is entirely due to jealousy on part of a few insurance companies that desired to come into my agency. Some of the Pennsylvania field men who were not invited to my policyholders' watermelon picnic began a campaign of vilification and the minds of the officials were poisoned. I am a broad-minded man and will work in the private ranks and show these fellows up in due season."

High-Low Plan Is Real Life Saver

Kept Travelers From Abandoning Compensation Line Three Years Ago

S. B. PERKINS IS HEARD

Addresses Chicago Insurance Agents Association on Retrospective Rating Plan, Which Brought Improvement

Sanford B. Perkins, assistant secretary of the Travelers at the head office, did a remarkably good job of salesmanship in behalf of the retrospective workmen's compensation rating plan, in the course of an address at the annual meeting of the Chicago Insurance Agents Association this week. Mr. Perkins is a young man who has a pleasing, human address. He knows the subject completely and intimately. He is a whole-souled advocate of it and he marshaled his facts and arguments in lucid fashion.

Even those in the audience who have been following the retrospective rating developments closely gained much from the presentation in the way of clarification and enthusiasm.

Saved Travelers' Business

Mr. Perkins started with the sensational statement that retrospective rating had saved the life of the compensation business for the Travelers. Three years ago, he declared, the president of the Travelers decreed that the company discontinue writing compensation business nation-wide. That threw the junior officials into consternation. They asked him on what basis the Travelers might continue in the field.

"By making a profit," was his answer.

The Travelers, according to Mr. Perkins, had lost between \$3,000,000 and \$4,000,000 of compensation business with a 48 percent loss ratio. That loss changed the character of the Travelers business and the company, he said, had to resort to retrospective rating to bring the business back into the realm of profit.

Big Improvement Promptly

The Travelers used retrospective rating on big risks experimentally for the next two years. The risks on which retrospective rating was applied had been producing a loss ratio of 80 percent. During the first year under retrospective rating, the loss ratio on this group of business was 41.4 percent.

That emphasized, Mr. Perkins said, that retrospective rating was the most effective accident prevention measure yet devised. Phenomenal improvement occurred in practically every risk that was placed on the retrospective basis. Year after year the experience of practically all of the risks has been approximately at the point that entitles them to the minimum premium. From very few risks

(CONTINUED ON PAGE 46)

WORKMEN'S COMPENSATION

Wisconsin Plans Rate Cuts

Workmen's Compensation Premiums Will Be Reduced in November, Commissioner States

MADISON, WIS., Oct. 21.—Lower premium rates for workmen's compensation insurance will be announced in an order to be issued in November, Commissioner Mortensen said after a conference with representatives of both mutual and stock companies writing compensation business.

He added the amount of reduction could not yet be forecast. The department, however, will indicate in conferences with the insurance men classes of hazards on which it considers rates should be reduced. The commissioner believes premium schedules can be arranged so that the insurance companies will accept without hearings.

Industries of the state have long claimed the premiums charged for workmen's compensation insurance are too high.

Rates certain to be reduced are those where occupational disease hazard is present. Rates for industries where silicosis is a hazard have long been called too high.

Rates usually are promulgated in November. The insurance commissioner has been having his office collect data for some months in support of the proposed reductions.

NO COMMENT BY BUREAU

MILWAUKEE, Oct. 21.—The Wisconsin Compensation Rating & Inspection Bureau here had no statement with reference to a report from Madison that the Wisconsin department would issue an order for lower compensation rates. The rating committee of the bureau will hold a meeting Oct. 27, when it will promulgate rates for next year, an annual procedure. These schedules by the committee, consisting of both stock and mutual company representatives, will be filed with the Wisconsin department for approval.

Liberalized Compensation Awards Asked in Michigan

LANSING, MICH., Oct. 21.—Recommendation for revision of the Michigan workmen's compensation law has been submitted to Governor Fitzgerald by F. F. Ford, chairman of the department of labor and industry which administers the act. One of the chief evils of the present law, according to Mr. Ford, is the practices of attorneys representing injured workmen and dependents and collecting as much as half of the total award. A recommendation was made that employers be required to pay indefinitely for expense of medical and hospital service on compensation cases. It is now limited to 90 days. Further suggestions for liberalizing awards were also outlined including elimination of the present requirement that an employee must prove his condition has grown worse in order to obtain reinstatement of compensation halted by mutual agreement. It was suggested that the provision which now automatically throws a case into the courts if fraud is charged by either side be abolished. It was suggested that the 300 week limit on payments to dependent widows be extended to as long as the widow remain dependent. Reduction of weekly compensation from six to five times the daily compensation in view of the general adoption of a five-day week was also recommended.

Charles T. Moran, local agent in Saginaw, Mich., for the past 15 years, died there after a year's illness.

Retrospective Is Submitted

National Council Files Plan in Number of Rate Regulation States to Be in Effect Jan. 1

NEW YORK, Oct. 21.—Following filing of the retrospective plan for rating workmen's compensation risks in the non-regulated states, effective Sept. 1, the National Council on Compensation Insurance has submitted the plan in a number of the regulated states, with the request that it be approved as of Jan. 1. Coincident with this action, A. V. Gruhn, general counsel for the mutual carriers in the council, and general manager American Mutual Alliance, asked the state commissioners to defer action on the plan until he could submit a brief defining the attitude of his clients.

At the same time William Leslie, associate general manager of the National Bureau of Casualty & Surety Underwriters, which sponsored the new plan, requested the privilege of being heard should there be any features in the program about which the commissioners were in doubt. Commissioner O'Malley of Missouri will hold a hearing both on the revised rates submitted by the National Council and on the retrospective rating plan, at Jefferson City Nov. 12.

Wisconsin Wage Basis Act Is Declared Constitutional

MADISON, WIS., Oct. 21.—Constitutionality of the new minimum wage basis of fixing permanent disability benefits, enacted in 1935, was upheld against its first court attack by Judge Reis of Dane county circuit court. He ruled Viggo Larsen is entitled to \$3,934 from Heick Transfer Company, Madison, for loss of his right eye into which he poked a screw driver while repairing a truck for Heick.

The minimum wage rule enacted by the 1935 legislature provides that compensation for permanent disability shall be figured for 275 weeks at 70 percent of the disabled person's weekly wage but in no case shall the weekly wage be considered less than \$20. It continued \$10.50 as the temporary disability base.

Heick attorneys challenged the law as "capricious," having no relation to the actual wage earned, unreasonable, and in violation of constitutional rights of the employer.

Reis' decision held that the legislature is empowered to declare that permanent disability benefits shall begin at a higher starting point to compensate for possible greater future wages which the disabled would have expected to earn if he had not been injured for life.

Minnesota Revision Expected

ST. PAUL, Oct. 21.—Proposals for revising compensation insurance rates in Minnesota are expected to be filed with the Minnesota compensation insurance board within the next week. A. H. Kleffman, secretary and actuary of the board, and James F. Reynolds, manager of the Minnesota compensation rating bureau, have been in New York the past 10 days in conference with National Council officials and the new proposals are expected to be filed soon after their return.

Drop Utah O. D. Move

SALT LAKE CITY, Oct. 21.—Utah labor leaders have agreed that no new legislation covering workmen's compensation for occupational diseases will be sought pending completion of a federal survey of such diseases in the state. This announcement was made following

a conference between industrial and labor leaders, in which members of a special committee of the Salt Lake Chamber of Commerce, which has been studying compensation insurance problems, participated. There had been a strong agitation here for including occupational diseases.

New Jersey Rates Revised

NEWARK, Oct. 21.—The Compensation Rating & Inspection Bureau of New Jersey, of which A. R. Lawrence is chairman and manager, has completed a special revision of basic rates and rating values, which have been approved by Commissioner Withers, to apply in the rating of policies effective Dec. 31, 1936, and thereafter.

No single reduction will exceed 10 percent and the composite weighted effect is estimated to lower the prevailing rate level approximately 2 percent. There is no revision of rates for extended liability insurance covering occupational diseases.

Republican Candidate for State Bonding Law Repeal

LINCOLN, NEB., Oct. 21.—Answering a demand of Governor Cochran that he state where he stands on the state monopoly bonding bill, Dwight Griswold, Republican candidate for governor, said he opposed the bill in principle, and that he would urge its repeal if elected and the law had not previously been wiped off the books by the supreme court. He said:

"The bill proposes that the state write bonds for its own officials. This means that if there should be a defalcation in funds or betrayal of trust in which a public official was involved, the taxpayers would have to pay the bill. In other words, if some official should steal public funds, the people would have to pay the loss, rather than a bonding company. What the state might save would be small when compared with the risk taken."

"The act also provides that all elected state and county officials must be bonded by the state. This means that every official in the state must make application to another state official for his bond. This plainly shows the power that would be exercised by the governor, whoever he may be, to build up a political machine in all of its 93 counties."

Saving Nebraska From East

State Auditor Ayres, Democrat, later entered the debate with a declaration that his accountants reported that in the last four years fidelity and surety companies doing business in Nebraska collected \$3,526,000 in premiums and paid losses of \$1,076,000, leaving a profit, less a "small amount" for taxes and other expenses, of \$2,452,000. He appealed for retention of the bonding law in order that money be kept at home instead of being sent east to "enrich those who have no interests in Nebraska except for the huge profits they can wangle out of the people, and who doubled their premium demands at a time when they were reaping rich harvests of profits."

Charges made on the stump in Nebraska by Mr. Griswold that the insurance department has been "politically conducted" led John S. Logan, attorney for the department, to take to the air to demand proof. Mr. Logan said that Governor Cochran at no time has given any instructions with respect to the treatment of companies or agents, and has never interfered with or directed the acts of the director or his aides.

Guilty of Conspiracy

NEW YORK, Oct. 21.—Pleading guilty to the charge of conspiring to defraud a casualty company under a fake accident claim, Dr. Reuben Klein of Brooklyn was sentenced to two months in the Tombs.

Heads Steering Group of International Body



JOHN A. DIEMAND

John A. Diemand, vice-president of the Indemnity of North America, was elected chairman of the executive committee of the International Association of Casualty & Surety Underwriters at the recent annual meeting in White Sulphur Springs, W. Va.

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Oct. 19, 1936

	Par	Div.	Bid	Asked
Aetna Cas.	10	3.00*	105	108
Aetna Fire	10	1.60	49	51
Aetna Life	10	.80	29	31
Agricultural	25	3.00	86	88
Amer. Alliance ..	10	1.20*	23 1/2	25
Amer. Equitable .	5	1.05*	36	37 1/2
American (N. J.)	2.50	.50	13	14
Amer. Surety	25	2.25*	62	64
Automobile	10	1.20*	34	36
Balto. Amer.	2.50	.30*	8	9
Boston	1.00	21.00*	625	635
Camden Fire	5	1.00	21	23
Carolina	10	1.20*	26	28
Contl. Cas.	5	1.00	22	23
Contl. Ins.	2.50	1.45*	40 1/2	42
Crum & For. Com.	10	.90*	29	31
Fidelity & Dep. .	20	2.25*	130	135
Fidelity-Phen. .	2.50	1.45*	43	44
Fire Assn.	10	2.50*	80	82
Fireman's Fund. .	25	4.00	92 1/2	94 1/2
Fireman's F. Ind.	10	...	31	34
Firemen's (N. J.)	5	1.10*	11 1/2	12 1/2
Franklin	5	1.20*	29 1/2	31
Glens Falls	5	1.60	40	42
Globe & Repub. .	5	.50	19	20 1/2
Gl. & Rut. (com.)	25	...	62	64
Gt. Amer. Fire ..	5	1.20*	26 1/2	27 1/2
Gt. Amer. Ind. ..	1	.15	8	10
Halifax Fire	10	.90**	23	25
Hanover Fire	10	1.60	35	36
Harmonia Fire ..	10	1.20*	24 1/2	26
Hartford Fire ..	10	2.50*	73	75
Htfd. Steam Boil.	10	1.60	77	80
Home F. & Mar. .	10	2.00	42 1/2	44
Home Fire Sec. .	10	...	5	5 1/2
Home (N. Y.)	5	1.20*	37 1/2	38 1/2
Homestead	10	1.00	20	22
Rights %-%				
Ins. Co. of N. A.	10	2.50*	73	75
Kan. City F.&M.	10	.60	20	22
Knickerbocker ..	5	.50	15	16
Md. Cas. com. .	1	...	7 1/2	7 3/4
Merch. Mfrs.	5	.40	12	12 1/2
Merc. Assur. com.	5.00	1.75*	58	62
Natl. Cas.	10	.80	20	21
Natl. Fire	10	2.00	65 1/2	67
Natl. Liberty	2	.40*	10	11
Natl. Union	20	4.00*	133	136
New Am. Cas.	2	...	15	16
New Brunsw. F. .	10	1.30	33	35
Northern (N. Y.)	12.50	4.00*	94	97
North River	2.50	1.00*	26 1/2	27 1/2
N. W. Natl. Cas.	2.50	.10	6 1/2	7 1/2
N. W. Natl. Fire	25	5.75*	121	125
Pacific Fire	25	5.00*	123	126
Phoenix, Conn. .	10	2.50*	85	87
Prov. Wash.	10	1.25*	36	38
Repub. Ins., Tex.	10	1.00	26	27
Rossia	5	.70*	13	14
Security	10	1.40	35	37
Southern Fire ..	10	1.20	25	27
Sprgfd. F. & M.	25	4.75*	132	135
St. Paul F. & M.	25	7.50*	208	212
Travelers	100	16.00	520	530
U. S. Fire	4	1.90*	55	57
U. S. F. & G.	2	...	26	27
Westchester Fire	2.50	1.40*	34	36

*Includes extra. **Canadian funds.

The firm of Lehrer & Madden has been formed in Boston by G. R. Lehrer and L. I. Madden, both associated for some time with the Aetna Life companies in Boston.

Giannini Rushes Bid for Pacific Mutual Business

SUBMITS A NEW PROPOSAL

Judge Willis Insists That the Hearing Shall Go On Without Any Further Delay

LOS ANGELES, Oct. 21.—Insurance Commissioner Sullivan of Washington, petitioning as an intervenor in the Pacific Mutual Life case declared that he preferred the proposal of the Transamerica Corporation whereby the Occidental offers to take over the Pacific Mutual over the rehabilitation plan of Commissioner Carpenter of California. Commissioner Sullivan told the court that an insurance company with impaired reserves needs additional capital and it would be "sheer folly to reject a proposal such as the Transamerica has submitted to furnish \$12,000,000 for the added protection of policyholders." Commissioner Carpenter stated that his plan contains a provision for mutualization which has been recommended by commissioners of other states.

LOS ANGELES, Oct. 21.—The hearing on the Pacific Mutual Life came up Monday and an attempt was made to postpone the case. Judge Willis, however, denied a motion of attorneys representing various policyholders' groups to further delay the hearing. These lawyers sought postponement, desiring further time to consider the proposed reorganization plan filed Saturday on behalf of the Transamerica interests.

After the court ruled, Commissioner Carpenter stated he was ready to present his own plan of reorganization. The hearing centers about an order to show cause why Commissioner Carpenter's plan should not be adopted. In the hearing the Transamerica and other plans are to be considered.

Giannini Presents Plan

L. M. Giannini, president of the Occidental Life of this city, a subsidiary of the Transamerica, filed its new plan. It offers to take over the Pacific Mutual and organize it into two new companies, paying into them \$4,600,000 cash and \$7,500,000 more in installments of \$500,000 annually.

State's Attorney Webb in his protest against the Occidental Life offer bases his opposition on the state insurance code which he said specifies that the insurance commissioner once he is appointed conservator should present a rehabilitation plan. If that plan fails the commissioner then should seek a buyer and failing there he would then have to liquidate the company.

The Los Angeles county grand jury recalled as a witness C. A. H. Narlian, a New York City accountant, who made an audit of the books last year. He was followed by George Armstrong, auditor of the district attorney's office. It was stated that they were questioned regarding examinations they made of the accounts.

Features of Occidental Proposal

In the Occidental Life offer one of the new companies to be organized would be an active life company. It would reinsure without lien the life policies of the Pacific Mutual, participating and nonparticipating, as well as all other policies except the noncancellable disability.

The Transamerica group provides \$3,000,000 in cash as a working fund for the new company. This, President Giannini pointed out, is the amount proposed by the commissioner in his reorganization plan but he stated that Commissioner Carpenter contemplates

President



J. ARTHUR NELSON

J. Arthur Nelson of Baltimore, president New Amsterdam Casualty, was elected this week head of the Association of Casualty & Surety Executives.

taking the working fund from the assets of the old Pacific Mutual whereas the Occidental Life plan makes available new money for this purpose.

Under the new plan provision is made for the lifting the moratorium against surrender values and loans. Furthermore a liberal attitude is promised for those that have lapsed since the troubles of the Pacific Mutual were known.

President Giannini explained that under his plan the present agency force of the Pacific Mutual would be attracted to the company and would continue in building it up. Three departments would be established, participating life, non-participating life and general accident and health.

Would Take Over the "Noncan"

Then a new company would be organized with \$1,600,000 of new funds furnished by the Transamerica group and it would take over the noncancellable accident and health policies. Claims which were approved prior to July 22 would be paid in full and in accordance with the policy terms. Claims arising after that time would be paid in accordance with the following schedule:

Premium class		%
1918	(20%)	50%
1921	(35%)	59%
1926	(45%)	65%
1929	(55%)	73%
1931	(65%)	78%
1932	(90%)	93%

*Percentage of original monthly benefit assumed conservator's plan. †Percentage of original monthly benefit assumed Giannini plan.

Conditions "Hazardous," Carpenter Says

Commissioner Carpenter of California at the hearing in the Pacific Mutual Life stated that when it was taken over by the state department the condition was found to be "hazardous." He insisted that his reorganization plan should be approved. Taking four months of this year he pointed out the mounting losses in the noncancellable disability department. The total impairment was found \$22,226,000 after all accounts had been checked. The participating life department showed a surplus of \$4,792,000 and \$668,977 in the non-participating department.

There are now three plans for the Pacific Mutual before the court, one being that of Commissioner Carpenter with the mutualization feature, the other the Occidental Life proposal and the third by Roscoe Hess, providing for rehabilitation and reinsurance. Attorney General Webb appeared in person for the first time this week opposing any further continuance.

Trucking Association Has Lively Insurance Debate

HOLDS SESSION IN CHICAGO

Ponder Idea of Making Deal with One Insurer—Dissatisfied with Present Facilities

Debate is going on at the convention of the American Trucking Associations in Chicago this week on the question of whether the organization's insurance committee shall be empowered to adopt or recommend any particular company, pool or service for its members.

The report of the insurance committee was silent on this point, merely asking that the committee be authorized to continue with negotiations for the formation of a pool of large insurance carriers or a nationwide service organization to handle the business, especially as to claims and accident prevention. An amendment was offered prohibiting the committee from attempting to tie the association to any one plan, or to recommend it. The meeting adjourned in the midst of the debate and the subject was held over for another session.

Mutual Plan Out

Prospects of organizing a mutual or reciprocal to write long haul truck business appear remote. H. D. Horton of Charlotte, N. C., chairman of the insurance committee, recommended in his report that any such action be deferred indefinitely. At last year's convention the insurance committee was instructed to look into the matter. Mr. Horton explained that the idea should be retained as a threat in case adequate insurance cannot be secured elsewhere, but that the plan involves too many difficulties for immediate consideration. This rec-

(CONTINUED ON PAGE 45)

Much Interest in Demand for Deposits by the Courts

Much interest is being taken in the demand of some of the courts in Chicago for surety companies to put up deposits where bonds are executed in the courts. The surety people do not know the purpose of the proposed deposit and wonder if the judges intend to pay claims out of the fund regardless of what the companies do. Each year a company desiring to execute bonds in the circuit, superior, county, probate or criminal court files a petition giving its financial statement, certificate of compliance and a schedule of claims listed in the various courts that have not been paid.

Frederic Burnham of Mayer, Meyer, Austrian & Platt is counsel for the surety companies. The contention of the companies is that a special deposit is unnecessary and also that it would lead to serious difficulties under the reciprocity laws of Illinois and the retaliatory laws of other states. Almost all states have some form of retaliatory statute, hence any deposit required by Illinois would result in Illinois companies being similarly penalized in other states. Further, the Illinois law provides that companies incorporated in states which do not impose special deposits on Illinois companies shall be free of deposits in Illinois. The judges have not indicated the amount of deposit which would be required if this proposal goes through, nor whether it would relate to all classes of surety business or only certain kinds of bonds.

When these petitions are filed the judges of all the courts sit together and usually the hearing is perfunctory although once in a while a company is debarred. When the hearing came up recently the various companies sent clerks and a surprise was sprung when the deposit demand was made. Some of the judges seem rather keen for the deposit features.

Veteran Officer



WALTER S. DEAROLF

Walter S. Dearolf, secretary American Casualty of Reading, Pa., has been associated with that company for 29 years. He started in the accounting department and was actuary until three years when he was elected secretary-treasurer. Upon the election of H. G. Evans as president, Mr. Dearolf was named secretary and L. S. Snyder, treasurer.

Another Glass Rate Cut Disturbs Chicago Situation

Another company is reported this week in Chicago as quoting considerably below manual on full coverage plate glass insurance. In this instance the company is well known, and its manager recently at a meeting of the Burglary Underwriters Club indicated his willingness to go along with others in avoiding a rate war following action of the National Bureau of Casualty & Surety Underwriters in relinquishing jurisdiction over plate glass rates in Cook county, Ill. The cut reported was 40 percent. At least one other company was reported quoting up to 50 percent reduction in rates.

The situation, at first thought to be well under control, is now uncertain. The Burglary Underwriters Club, which by consent has been functioning as a rallying point for managers determined not to cut rates, is holding meetings every Tuesday noon to consider ways and means of bringing into line such managers as lean toward taking advantage of the situation.

Moloney for President

At the meeting of the Chicago Casualty Managers Association presided over by V. H. Bartholomew, Standard Accident, the report of the nominating committee was presented by H. N. Douglass, New Amsterdam Casualty. The committee recommends George H. Moloney, Hartford Accident & Indemnity, for president; C. M. Hayden, Glens Falls Indemnity, vice-president, and Freeman Read, Globe Indemnity, secretary and treasurer. These three are recommended for directors together with Mr. Bartholomew, Norman Hoag, Continental Casualty; W. O. Schilling, U. S. Fidelity & Guaranty; W. C. Eaton, Zurich, and John Pabst, Fireman's Fund Indemnity.

The Lupton Insurance Agency, Martin's Ferry, O., has purchased the O. C. Frantz Agency. Mr. Frantz has been appointed postmaster. Miss Victoria Bosto, for many years with the Frantz agency, has joined the Lupton organization. Fred C. Campbell is manager.

C. A. Smith, formerly with the Lexington office of the Western Adjuster, has been transferred to Louisville.

ACCIDENT AND HEALTH FIELD

Committee on A. & H. Week

Chairman Gordon Announces Personnel That Will Direct 1937 Campaign—Hold First Meeting Nov. 12

A representative group of accident and health executives has been selected to direct activities of 1937 Accident & Health Insurance Week. Those who will serve on this committee, as announced by Chairman Harold R. Gordon of Chicago, include E. W. Amos, Massachusetts Bonding, San Francisco; R. A. Cavanaugh, Illinois Commercial Men's, Chicago; W. W. Cole, General American Life, St. Louis; R. W. Faulkner, Woodmen Accident, Lincoln, Neb.; E. H. Ferguson, Great Northern Life, Chicago; Thomas Hook, Standard Accident, Detroit; G. R. Kendall, Washington National, Chicago; H. E. Kipp, Indemnity of North America, Philadelphia; J. F. Lydon, Ocean Accident, New York; E. H. Mueller, Pacific Mutual Life, Milwaukee; C. H. Munsell, Monarch Life, Springfield, Mass.; Frank A. Post, THE NATIONAL UNDERWRITER, Chicago; J. E. Powell, Provident Life & Accident, Chattanooga; Harry Prevost, U. S. F. & G., Baltimore; C. T. Spaulding, Aetna Life, Hartford; W. E. White, Continental Casualty, Chicago, and L. W. Winslow, Fireman's Fund Indemnity, New York.

The first meeting of the newly appointed committee will be held in Chicago Nov. 12 to discuss ideas and plans preliminary to active work.

Hartford Issues "Knock on Wood" Hoodoo Day Letter

A "wooden" letter is being supplied agents of the Hartford Accident to assist them in the solicitation of personal accident business prior to Hoodoo Day, Friday, Nov. 13, which again appears on the calendar in the month. This letter, which is actually printed on wood, is headed "Friday," the 13th—Knock on Wood!" and continues:

"Probably you are not superstitious, but Friday, the 13th, comes again in November. So—Knock on Wood! Every day is Friday, the 13th, on the calendar of accidents, and to knock on wood is no guaranty of immunity. While you read this letter, eight persons in the United States will have met with some disabling injury. Knock on wood, and then ask us about the form of policy which will protect your income and reimburse you for medical expenses on account of accidents."

This letter has proved so popular with the company's representatives that Ralph A. Ferson, assistant secretary in charge of the company's personal accident department, estimates that nearly 100,000 will be placed in circulation before Hoodoo Day rolls around.

Launch Boston A. & H. Unit With W. E. Hanna at Head

BOSTON, Oct. 21.—The final step is being taken today to launch the Boston Health & Accident Association. At a meeting last week about 45 charter members were enrolled and a tentative slate of officers proposed. This slate is being ratified at today's meeting.

W. E. Hanna, Continental Casualty, who presided at the meeting last week, is president; H. B. Fowler, General Accident, vice-president; W. A. Barr, Massachusetts Bonding, treasurer, and B. A. Miller, U. S. Casualty, secretary. At last week's meeting, a letter was read from the secretary of the National Accident & Health Association, outlining the association idea.

In the next two or three weeks, the

expectation is that membership will increase to 100.

The new association owes its inception to the very active and interested work of Mr. Hanna.

Discussion was had as to the advisability of employing an executive secretary to develop the organization.

Davis Ellis Takes Charge of Second Chicago Agency

Davis W. Ellis, who recently resigned as Illinois state manager of the Monarch Life at Chicago, has been appointed manager of a second Chicago agency of the Mutual Benefit Health & Accident and United Benefit Life of Omaha. He is located temporarily in the older agency of Redfield & McGurk, in the Insurance Exchange building there. Mr. Ellis will report direct to the home office.

He has had 15 years' insurance experience, including much time in recruiting, training and handling agents. He was connected with a Wheeling, W. Va., investment company, then ran a general insurance agency at Marion, Ind., for a time before going to Chicago some years ago. He is secretary of the Chicago Health & Accident Association.

American Casualty's Policy

The American Casualty of Reading, Pa., has put out a new automobile accident policy costing \$10 a year. It gives principal sum benefits of \$2,500, total disability \$25 a week for 26 weeks, partial of \$12.50 for four weeks. Other features provide for non-disabling injury medical fees, hospital and nurse expense and a \$100 identification indemnity.

Other features are the lack of an exclusion regarding a pleasure car being used for "wage, compensation or hire," the stating of no age limit in the policy, the allowing of two weeks for disability to commence and the covering

of disability from "his occupation" rather than from "any occupation."

Combats Compulsory Cover

"On the Witness Stand," by J. Weston Walch, is a new publication of the public relations bureau, Medical Society of the State of New York. The pamphlet of 64 pages contains a discussion of compulsory health insurance in the form of questions and answers, of which there are 107. An introduction by Mr. Walch explains how the pamphlet came to be written. Single copies are supplied for 10 cents by the bureau, 2 East 103rd street, New York.

Indicted for Mail Fraud

Glen N. Cochran of Anderson, Ind., has been arrested on a federal indictment for using the mails to defraud, as operator of the Capital States Prudential Association of Anderson, which did business by mail in several states. It is alleged to have sold 1-cent-a-day accident insurance and \$1-a-month life insurance certificates, containing many "trick clauses" which gave certificate holders little chance to recover benefits. Before going to Indiana Cochran operated the Eastern Mutual Benefit Association of Paris, Ill.

Honor Detroit Past Presidents

DETROIT, Oct. 21.—Past presidents of the Detroit Accident & Health Insurance Club were the guests of honor and speakers at the October meeting. President R. J. Long, Great Northern Life, presided at the business session and Fred Grainger, Federal Life & Casualty, over the initial portion of the program.

Mr. Grainger introduced E. H. McFarland, North American Accident, first president; George Brown, executive secretary Michigan Association and former secretary National Accident & Health Association, and R. M. Rowland, National Casualty, all of whom spoke briefly on the progress of the club during its nine years of operation.

Plans for fall activities were discussed and four new members were admitted: John McDonald, Maryland Casualty; Bruce Kendall, Michigan Life; G. A. Dunagan and F. H. Marco, Great Northern Life.

CHANGES IN CASUALTY FIELD

R. Lynn Colomb, Glens Falls Assistant Coast Manager

SAN FRANCISCO, Oct. 21.—R. Lynn Colomb, superintendent of the bond department of the Glens Falls Indemnity, has been advanced to assistant manager of the Pacific Coast department of the group. He will devote his time in the future to production and executive duties on all lines handled by the group. James S. Hurry, manager southern California department, has been given greater executive duties and more responsibilities.

Succeeding R. L. Colomb as superintendent of the bond department, is his brother, Arthur Colomb, who has been with that division of the Glens Falls Indemnity for the past seven years, both as underwriter and outside producer.

Harold Finn, prominent in the Pacific Coast insurance field, has been advanced to superintendent of casualty underwriting.

Cline Is Credit Manager

A credit insurance department is being opened by Conkling, Price & Webb, general agents, London Guarantee & Accident in Chicago, with W. T. Cline as manager. He is a member of the firm of Appler, Schroyer & Cline, credit insurance general agents of the London Guarantee at 360 North Michigan avenue. Desire to be in closer

touch with brokers prompted the moving of Mr. Cline to the Insurance Exchange office of Conkling, Price & Webb. He will retain his connection with his old firm.

Bayley With American Casualty

R. L. Bayley, who has had many years insurance experience with Aetna Life, Home Indemnity, and Southern Surety, has been appointed special agent for American Casualty to cover Berks county, Pa., and surrounding territory. This is in line with American Casualty's plan of developing a strong agency force in the territory contiguous to the home office at Reading.

Mr. Bayley has been in insurance work since 1917. His experience includes both claim and agency work.

R. J. Kennedy Promoted

R. J. Kennedy has assumed sole charge of the fidelity and surety business of the Preferred Accident following the death of D. W. McCrea. He has been with the company since 1915, when he began as an office boy.

Connors General Agent

BOSTON, Oct. 21.—Announcement was made of the appointment of Frank J. Connors of Boston as general agent of the London & Lancashire Indemnity for Boston and the metropolitan district. John B. Cronin, who was formerly with the Massachusetts Rating & Inspection Bureau, and who has held

In Tennessee



E. M. ALLEN, NEW YORK

E. M. Allen, executive vice-president of the National Surety Association and former president of the National Association of Insurance Agents, is one of the speakers on the program of the Tennessee Association of Insurance Agents, at Nashville, this week. He is a former local agent of Helena, Ark.

other positions in several Boston agencies, has been named manager of the casualty department.

Pitts Goes to Denver

W. N. Pitts, who has been a special agent for the Milwaukee office of the Aetna Casualty for the past ten years, is transferred to the Denver office as superintendent of the bond department. A farewell party was held for Mr. Pitts Friday evening.

Appoint Edward Brown & Sons

SAN FRANCISCO, Oct. 21.—Edward Brown & Sons were appointed California general agents for the Standard Surety & Casualty. The Standard will continue to operate through the Pacific Coast branch office under the management of Merle D. Smith at Los Angeles and the general agency of Hinchman-Rolph & Landis.

Connors Casualty Claim Head

The Fire Companies Adjustment Bureau at Denver has appointed Frank Connors in charge of the new casualty department.

Parker with Reporting Bureau

Tom Parker, veteran Pacific Coast inspector for compensation and liability risks, has become associated with the General Reporting Bureau of San Francisco. The bureau has added two new inspectors to its staff.

Thatcher with Henkel

W. Milo Thatcher, who has traveled in the Rocky Mountain region for 14 years, is in charge of the new casualty branch established by the Fred L. Henkel Adjustment Co., Denver.

W. B. O'Neal, formerly special agent of the Metropolitan Casualty and Commercial Casualty in Missouri is now casualty manager of the Augusta, Ga., agency of I. H. Cohen & Son.

Brooklyn Lawyer Convicted

S. A. Schwartz, Brooklyn lawyer, has been fined \$500 and put on probation for three years by Judge Van Riper in Newark. He was convicted of conspiracy to defraud a casualty company. He was an attorney for Frank Rush, a contortionist, who is serving a five-year sentence for defrauding insurers in alleged sidewalk accidents.

CASUALTY•PERSONALS

D. A. MacGregor, who since 1919 has been in charge of the automobile department of the Royal Indemnity's New York Metropolitan office and who has been with the company since 1911, was tendered an informal reception in the office of President F. J. O'Neill on his 25th anniversary. He was presented a silver pen and pencil set.

M. C. Bristol, 39, who has headed the traffic safety department of the Automobile Club of Michigan and its subsidiary, the Detroit Automobile Inter-Insurance Exchange, for the past 12 years, died at University Hospital in Ann Arbor.

M. Gordon Grahame, former manager in Chicago for the Maryland Casualty and then for the Globe Indemnity, who has been taking life easy for the last year or two, passing much of his time in the Canadian north woods, is now back in Chicago. He is eager to get back in the harness again and is scanning the possibilities. Mr. Grahame is a well rounded casualty-surety executive and producer. He is especially well versed in surety matters.

J. O. Carter, Jr., treasurer of the Provident Life and Accident, was presented his 20-year service pin and a silver water pitcher, suitably inscribed, to mark the anniversary event. President R. J. Maclellan made the presentation in the presence of company officials.

At the recent National Safety Congress in Atlantic City, **Albert W. Whitney**, associate general manager National Bureau of Casualty & Surety Underwriters, was elected vice-president for education of the National Safety Council. Dr. C. H. Watson, medical director American Telephone & Telegraph, was reelected president.

F. W. Boyle, superintendent of the agency and production departments of the Employers group, has been in Texas for the past two weeks. He made a tour of the principal cities of the state with H. A. Schluter, state agent of the Employers Fire.

Edgar J. Parker, 45, executive vice-president Michigan Surety, died in a Lansing hospital following a brief illness. He had been with the Michigan Surety 12 years, and before that was with the Northwestern National Casualty in Milwaukee.

Richard Huggard, Jr., manager of the claim department of the Great American Indemnity in Columbus, O., is recovering from an operation for appendicitis.

Thomas Hammond, vice-president of the United Pacific Casualty of Seattle, was in Chicago visiting acquaintances.

J. E. Callender, Chicago manager of the Ocean Accident, sailed Wednesday of this week from New Orleans for Guatemala City, where he will remain for about two weeks before starting the homeward journey. Upon his departure Mr. Callender made two quips.

1. "I heard that in Guatemala there are a number of relics of Mayan civilization, which preceded that of the Aztecs. I am very much interested in examining any relic that is more ancient than I am."

2. "Landon is leading in Kane county. Mrs. Callender and I have cast our absentee ballot, so the score is: Landon 2, Roosevelt 0."

During Mr. Callender's absence, the Chicago office is preparing to honor him upon his return. He will be 70 years of age on Nov. 19. The evening before the Ocean Accident people in Chicago will have a banquet in honor of their

chief. It is likely that the New York head office will be represented. Mr. Callender is very close to his employees and this is an occasion for which they are planning eagerly.

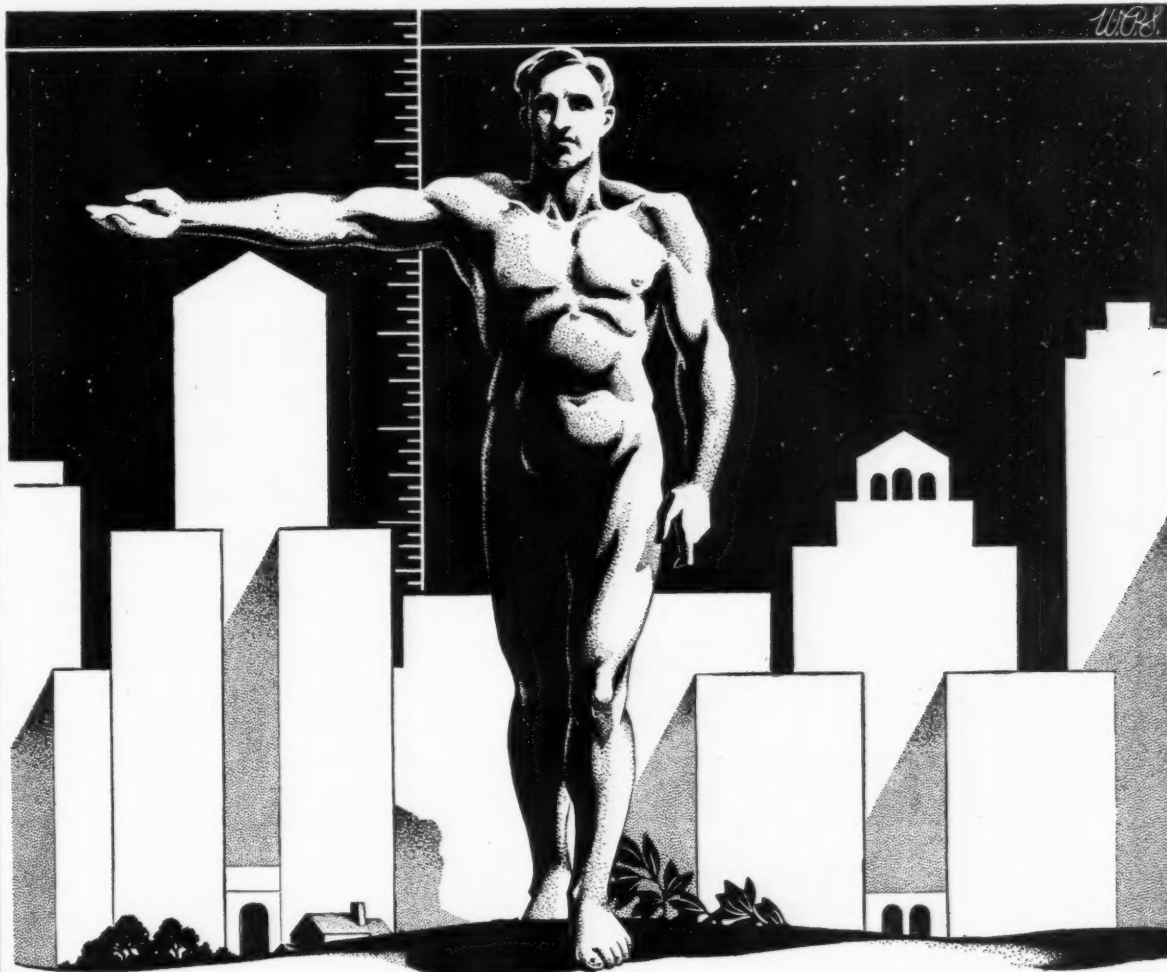
During his absence a unique accident and health contest is being staged for him. Each girl in the office has been assigned a group of agents. Each time one of her agents produces an accident

and health policy, it is a vote for her as "Queen of Callender Day." The agents will thus feel a new kind of stimulation.

Last week **Harold G. Evans**, newly elected president of the American Casualty of Reading, Pa., was the guest at a surprise dinner given in his honor by 60 home office employees. He was presented with an illuminated framed scroll signed by all employees in tribute to him. W. S. Deak, claim manager, had charge of the arrangements and acted as master of ceremonies. Secretary W. S. Dearolf, Treasurer L. J.

Snyder and Superintendent of Agents E. G. Lynch paid tribute to Mr. Evans. Three additions to the home office staff, D. O. Smith, manager of production; Eugene Grace, compensation and liability manager, and R. L. Daley, special agent for Reading territory, were introduced.

Some interesting figures were given showing that each month this year has shown an increase over the corresponding month of 1935. The peak was reached in September when the volume of business was almost double that of September last year.



THE MEASUREMENT OF MAN

In the Bureau of Standards in Washington lies a metal rod. At a given temperature, it is the nation's standard of measurement. By it all distance may be measured.

Similarly, we have known quantities in every physical field. But as yet there is no measurement for man that will reveal exactly his intelligence, his moral fibre, his stamina under moral stress and strain. Human nature is the last frontier of science.

Yet in this world of uncertainty the dwellers in National Surety Town live securely. Surety protection has brought a new measurement of safety into a world where other measurements are still impossible.

National Surety representatives everywhere—themselves picked men—are selling fidelity bonds and blanket bonds; plus protection against burglary, forgery, and many other dangers.

NATIONAL SURETY CORPORATION
VINCENT CULLEN, PRESIDENT
New York

© National Surety Corporation, 1935



**Indemnity
Insurance Co.
OF
North America
PHILADELPHIA**

**CASUALTY
FIDELITY
SURETY**

CAPITAL \$1,000,000

**Unquestioned Financial Stability.
Unique, Convenient Policies.
Complete, Efficient Service.
All Modern Coverages.**

**Combination Automobile Policy,
Combination Residence Policy and
Complete Golfer's Policy issued jointly
with allied fire companies.**

Leuty Takes Top Blue Goose Post

(CONTINUED FROM PAGE 5)

the centralization of the production forces of America, including company executives, special agents and agents. "We are willing to forget all that led to a separate way. The companies will have every effort of cooperation from the standpoint of the agents," he declared.

E. A. Henne, Chicago, vice-president America Fore, the toastmaster, assured Mr. Wilson that the companies stand shoulder to shoulder with the local agents in the new program of cooperation.

Reports Are Given

Grand Gander Phillips delivered his annual message, after which there were reports from the various committees. The jurisprudence committee's report read by Grand Wielder Helliwell, stated no questions had been submitted, except one bearing on the eligibility of members, and expressed disapproval of the laxity in a few cases where members had been admitted whom it was thought were not eligible. Grand Wielder Helliwell gave his report on the condition of the order.

N. K. Nelson, Topeka, in the absence of Gander McKinley, presented the report of the constitution and by-laws committee. Recommended changes to the constitution must be submitted to the local pond 60 days before adoption. However, he stated the by-laws can be changed at a grand nest meeting. He recommended that the membership be confined to fire insurance men.

Seek Historical Data

J. F. Miazza, Louisiana pond, said no action had been taken by the regalia committee. In reporting for the historical committee, H. Verne Meyers, Waterloo, Ia., past most loyal grand gander, stated that an effort is being made to secure a definite record of each individual pond but that unfortunately the records of the local ponds are not available. This committee is trying to get up a historical set-up and Mr. Meyers asked the assistance of all the members in the compilation of such a document.

Grand Wielder Helliwell stated that the cards showing the credentials of delegates are not of standard form. Standard forms will be printed and sent to each local pond.

G. H. DeVries, Kansas City, Mo., state agent New York Underwriters, told of the the Heart of America pond acquiring a club room in a downtown office building where all luncheons and meetings are held. This plan is working out very satisfactorily.

E. W. Bonstin, San Francisco, gave some of the highlights in connection with the organization of the Honolulu puddle, an adjunct of the San Francisco pond. Mr. Bonstin made the trip to Honolulu.

Favor Pond Bulletins

J. K. Shepherd, Little Rock, as chairman of a committee to report on the grand gander's annual message, brought in a most favorable and commendatory report. In his annual message, Grand Gander Phillips suggested that more of the local ponds publish bulletins for their members. The committee feels that such action would be an excellent thing. The most loyal grand gander was also commended for his stand on eligibility of members and for his position taken opposing regional conferences.

There was considerable discussion in which several ganders took part pertaining to the eligibility of members. A change in the by-laws was submitted to provide more rigid rules. However, after several ganders had expressed themselves to the effect that the local ponds must be thoroughly satisfied with the qualifications of the applicants, it was decided not to change the by-laws, but a letter will be sent by the grand nest to each individual pond urging a careful investigation as to the qualifica-

tions of the candidate for membership. The reports of the activities of the various ponds were not read at this year's meeting. They will appear in the grand nest bulletin.

Memorial services were conducted by the Oklahoma pond. This was a most impressive service. Cornelius M. Smith, Oklahoma City, most loyal gander, Oklahoma pond, and George W. Kline, Oklahoma City, took the principal parts in this service.

The Kansas pond put on a model initiation.

The report of Grand Wielder Helliwell showed that the finances are in good shape. During the past year, there was an increase in membership. The total is now 6,811 as against 6,699 in 1935, a gain of 112. There were 80 members lost by death during the year. The Indiana pond had the largest gain during the past year, admitting 72 members. It was awarded a silver cup. The San Francisco pond showed a gain of 60 members.

Harrison Hosworth and Harry W. Nason of the San Francisco pond invited the ganders to hold the 1938 grand nest meeting in San Francisco.

Nominations Made

Cleveland R. Willcoxson, Atlanta, nominated H. B. Leuty for most loyal grand gander.

John F. Stafford, Babson Park, Fla., formerly western manager of the Sun, nominated Cleveland R. Willcoxson, Atlanta, for the position of grand keeper. George Sellers, Alamo pond, placed in nomination for this office D. Maury Pollard, Beaumont, Tex., while Leon McGilton, Nashville, presented the name of Ben S. McKeel, Carolinas pond.

McKEEL'S CAREER

Grand Gander McKeel, who is now North Carolina state agent for the New York Underwriters, is a native of that state and a graduate of the University of North Carolina. He started insurance work as a local agent in 1919 and went with the National Union Fire as an inspector in 1921, becoming special agent in 1923 and state agent in 1924. He joined the New York Underwriters that same year and has been in charge of North Carolina for that company ever since.

He has been a member of the Blue Goose for 15 years, served as most loyal gander of the Carolinas pond and has been deputy most loyal grand gander for his district since 1929. He is chairman of the S. E. U. A. advisory committee for North Carolina and of the North Carolina committee on rates, rules and forms. He is a past president of the North Carolina Field Men's Conference and has been a member of its executive committee for six years.

Swadener Elected Indiana President

(CONTINUED FROM PAGE 5)

had a continuing deep interest in the state association. "For 14 years prior to the time I went into the insurance department I was a member of this association," he said, "and I appreciate the honorary membership which you accorded me some time ago."

Mr. McClain said that his department has taken every opportunity to press upon the people of the state the importance of sound insurance. He described the efforts of his department to raise the standard of agency representation in Indiana.

Clyde B. Smith, Lansing, Mich., past president of the National Association of Insurance Agents, paid tribute to Commissioner McClain's forceful address and to his accomplishments for the improvement of agency conditions in Indiana. "I don't understand why he gave up being an insurance agent to become insurance commissioner," he remarked.

Touching on retrospective compensa-

tion rating, Mr. Smith said his personal opinion is that this plan is simply a mutual form of insurance. He paid tribute to Walter H. Bennett, secretary of the National association, and the address, "Life Begins at Forty," which he delivered at the Pittsburgh meeting. The association movement among local agents owes more to Walter Bennett than any other man, he said. The National association has a substantial "war chest" with which to meet emergencies, a position of exceptional importance in the present chaotic times, he said. It has been because the National association has funds that it was able to carry the agency ownership of expirations to the supreme court, and that it has been able to do other important services for the interest of its members as occasion has arisen.

Cooperative Idea Viewed

Mr. Smith referred to the growth of the cooperative idea of buying and the strong influences that are fostering it. Pamphlets describing how cooperatives may be formed and operated are obtainable from Washington. As to mutual competition, Mr. Smith stated that he is not afraid of it and has been able to meet it in connection with some of the most important business on his books. He voiced warning as to the importance of having enacted laws by the states which will control the writing of business by non-admitted companies. With such measures placed on the statute books of all the states much business can be saved to legitimate local agents.

Lack of Cooperation

Lack of cooperation on the part of casualty companies to help in improving the agency representation situation was touched upon by Mr. Smith. "If fire companies did half the things that casualty companies do in this relationship," he declared, "we would not be on speaking terms with any of them." He cited the growing use of trailers with automobiles as a situation which demands uniform treatment as to providing insurance. "There should be some reasonable charge for this hazard," he said. "It might be applied in some way similar to the supplemental contract."

More adequate financial support should be provided for state insurance departments, Mr. Smith said. In Michigan \$150,000,000 is collected annually in premiums and but \$75,000 is provided for the administration of the state insurance department.

Advertise Association

The value of advertising memberships in the national and state associations was stressed by Mr. Smith. "Look upon this group not as my association, not as your association, but as our association," he advised. "Membership in the Indiana association is nothing but a U. & O. policy protection for your business," he declared.

In introducing M. C. Buckingham, chairman of the Indiana joint committee, to explain the purpose of the newly created Business Development Office, Mr. Zoercher said that this is the first time that agents and company men have sat down at the same table and discussed their problems. He predicted satisfactory results. Mr. Buckingham outlined the purpose of his committee and the execution of plans for cooperation with the bureau. Mr. Stickney led the discussion that developed on this subject.

Problems Are Viewed

At the executive session on the first day reports of the National association meeting at Pittsburgh were given. The handling of local board problems and methods of agency routine were considered in the discussion which followed. J. A. Searles, vice-president of the Marion board, presided at another session. Revision of the standard policy was considered.

At a breakfast meeting the joint committee of field men and agents, of which M. C. Buckingham, state agent of the Great American, is chairman, discussed

plans. While no announcement was made, it is understood that a definite program is shaping up.

Strong efforts are necessary to combat present governmental trends throughout the world, Professor James Charbonnier of Taylor University declared in his banquet address. Insurance and other privately operated business are headed for oblivion if fascism or communism triumph, he said. The professor reviewed the world economic conditions and created a considerable discussion from the floor. D. A. Earnhart, Marion, was toastmaster and

James W. Corbett, president of the Marion Board, presided.

INDIANA PERSONALS

Miss Hilda Shipley of the Grant County Insurance & Securities Co. agency did a very efficient job in handling the 120 reservations.

According to custom the secretary will be appointed later by the directors. Without doubt J. W. Stickney will be reappointed to that office.

Ralph Hastings was observed making a list of the 11 financial magnates re-

ferred to by Prof. Charbonnier as controlling the economic destiny of the world and was accused of having in mind adding them to his list of prospects for new business.

Golf tournament winners were Edw. Waltman, special agent Royal, and C. D. Kessler, Peru.

Ralph G. Hastings, chairman of the committee on resolutions, presented its report.

Special entertainment was provided for visiting ladies by a committee of which Mrs. George M. Kleider was chairman.

(CONTINUED ON PAGE 45)



Capital \$1,000,000.00

Surplus \$960,871.49

Admitted Assets \$5,159,678.78

CENTRAL SURETY AND INSURANCE CORPORATION

KANSAS CITY, MISSOURI

DENNIS HUDSON, President

FIDELITY AND SURETY NEWS

Blanket Fidelity Bond Plan

New Proposal Is Being Made for Covering All State Employees in New Jersey

NEW YORK, Oct. 21.—When Finance Commissioner Lamb of New Jersey seeks to carry out his plan of having all state employees handling money or holding positions of trust covered under a blanket fidelity bond, instead of as now, each being bonded individually, he is likely to encounter difficulty in securing the indemnity. A regulation of the Surety Association of America holds that fidelity bonds, aside from individual, may be written under

one or two forms only, the schedule variety and the positions form. No surety company presumably would entertain writing all state employees under a blanket cover as the duties and responsibilities of officials and employees vary widely. Underwriters have ever been critical in accepting public official bond guaranties, holding that appointees are selected in the main because of their political usefulness, rather than qualifications for the respective posts. Another serious handicap is the lack of proper account audits. States, with few exceptions, are in arrears in such connection, some as many as two or three years. Blanket covers on public employees, moreover, would not allow underwriters sufficient time within which to check records of prospective assured as changes in office usually follow each election, particularly when a new administration assumes power.

Real Value in Fidelity Bonds

Educational Campaign in New York City Brings Out Important Points for the Solicitor

NEW YORK, Oct. 21.—Brokers in the metropolitan area manifest increasing interest in the campaign conducted by a group of surety companies to popularize the sale of fidelity bonds in this city, the second conference having been largely attended. Speakers at the recent meeting were B. J. McGinn, vice-president American Surety, and A. C. Goerlich, president Bronx Insurance Men's Association.

The need for employers, carrying

fidelity coverage and in sufficient amount, was stressed by Mr. McGinn, who from the records of his company but without giving proper names furnished examples of the sorry experience of a number of financial institutions through failing to have trusted officials and clerks bonded in adequate amount.

The fear some employers hold, Mr. McGinn said, that the suggested bonding of employees, particularly those of long service, would be a reflection on the character of the latter, is groundless. As a matter of fact any employee worthy of confidence welcomes the endorsement which the granting of a covering bond implies. He emphasized the deterring influence a fidelity bond has on an employee tempted to embezzle trust funds, in that assurance is felt that in the event of wrong-doing the guilty man would have to deal not with a perhaps leniently inclined employer, but with a well organized business institution, possessed of widespread facilities for tracking defaulters.

Slate R. E. Hall to Head Chicago Surety Group

Richard E. Hall, Ocean Accident, has been nominated for the new president of the Surety Underwriters Association of Chicago. The annual meeting and election will be held probably Nov. 10. W. H. Wallace, formerly secretary, is nominated for vice-president; Palmer Olstad, Continental Casualty, for secretary; L. V. Irvine, Aetna Casualty, for treasurer, and E. V. Mitchell, Continental Casualty, for general counsel.

Those nominated for membership on the executive committee are: W. H. Hansmann, Fidelity & Deposit; W. O. Schilling, U. S. F. & G.; A. A. Korte, W. A. Alexander & Co.; Ed. O'Donnell, Bartholomay-Darling Co.; L. C. Knapp, Great American Indemnity; John Pabst, Fireman's Fund Indemnity, and John P. Keevers, Maryland Casualty, who is the retiring president.

For membership on the complaint committee there were nominated: J. J. Reynolds, Century Indemnity; John Bryden, Glens Falls Indemnity, and A. F. McCarthy, Massachusetts Bonding.

B. J. Nietschmann, National Surety, is in charge of providing the entertainment for the annual meeting.

Gunn Heads Iowa Federation

At the annual meeting of the Iowa Insurance Federation held in Des Moines this week, J. A. Gunn, president Employers Mutual Casualty, was elected president; H. H. Haynes of the "Underwriters Review," secretary and treasurer. Vice-presidents are, J. H. Bunten, Fire Association; F. R. Korns, director Modern Woodmen; A. B. Loran, secretary State Automobile; Currie Chase, Iowa State Traveling Men's; C. J. Schrup, president Dubuque F. & M.; Harry J. Pratt, Sioux City, president Iowa Association of Insurance Agents, and J. W. Gunn, secretary Employers Mutual Casualty at Des Moines.

The executive committee consists of the president and secretary, Chester E. Ford, H. B. Carson, Mark Waterman, Attorney Thomas Watters, Jr., F. H. Noble, C. E. Brown and F. B. Korns.

New York Record Is Improved

NEW YORK, Oct. 21.—The commendable safety campaign being waged by the police of this city has substantially reduced the number of those killed and injured in automobile accidents here, and if added authority be given them the police maintain a still more creditable result may be expected. In the first nine months of the present year, 571 persons were killed and 23,888 injured on the city streets, compared with 712 killed and 26,177 injured in the like period of 1935.

The First Reinsurance has been licensed in California with W. F. Smith of Los Angeles as general agent.

THE SIGN OF GOOD CASUALTY INSURANCE



automobile
boiler
burglary
credit
elevator
engine
liability
machinery
plate glass
compensation
accident
health—
insurance

LONDON
GUARANTEE & ACCIDENT CO. LTD.

U. S. BRANCH, 55 FIFTH AVENUE, NEW YORK, N. Y.

Past, Present, Future Are Being Featured



H. P. STELLWAGEN

Vice-president H. P. Stellwagen of the Indemnity Insurance Company of North America is one of the speakers before the Tennessee Association of Insurance Agents at Nashville this week, taking as his subject, "The Past, Present and Future of Automobile Liability Insurance."

Maryland Casualty Dresses Up Its Policy Typography

In connection with a recent editorial in THE NATIONAL UNDERWRITER in regard to the need for better typography in policies, D. C. Gibson, advertising director of the Maryland Casualty, calls attention to the changes which that company has made in its policies. They previously were printed in the "sprawling" fashion. Now, except for the first page, where tabular matter to be written in requires the lines to be carried clear across the page, all of the policy wording is printed in two columns, making it much easier to read than when the eye has to run clear across the page.

A complete new type face was adopted, to gain greater legibility and improve ease of reading and the policy was "dressed up" with a green border design for the outside fold, built out of the Maryland Casualty seal, with a large company seal lithographed in the same faint green shade on the face of the policy.

All these things, Mr. Gibson says, were done not only to make the policy more attractive physically and encourage its reading, but also to give the impression that the policy was itself something of value. Celophane envelopes have also been provided, which give a further atmosphere of value to the policy itself.

Bay State Hearing Friday

BOSTON, Oct. 21.—At the request of the attorney-general, the hearing on the injunction proceedings instituted in the Massachusetts supreme court by the casualty companies to restrain Commissioner DeCelles from putting into effect a reduced rate scale for automobile liability insurance under the compulsory law was postponed until Friday of this week.

The hearing was to have been held before the Massachusetts supreme court last Saturday.

The stock companies assert that the rates promulgated by the commissioner are inadequate, inequitable and discriminatory. Whereas the commissioner's rates would provide a reduction of

about 7 percent from the rates of 1936, the companies contend that the rates should be higher holding that the companies lost over \$5,000,000 in the five year period from 1931 to 1935, which is the experience period used for the purpose of making the 1937 rates.

Trickery Is Alleged

The receiver for Jersey Mutual Casualty has instituted an action seeking to have a conveyance of assets of a former policyholder set aside on the ground that this was done in order to evade assessment. The receiver is undertaking to collect a \$1,632 judgment from E. L. Baugh of South Orange, head of the South Orange Taxi Service. The action alleges that Baugh in 1934 formed the South Orange Taxi Service and transferred his taxi business to it. The receiver seeks to have this alleged conveyance set aside.

The court has temporarily restrained disposal of the concern's assets and directed the corporation to show cause why the restraining order should not be continued pending trial of the suit.

Directors of the Fidelity & Deposit have declared a regular dividend of 75 cents a share, payable Oct. 30. This brings payments to stockholders so far this year up to \$4.50 a share.

Casualty Company Activities

Report on the Examination of the Illinois Casualty

Total assets of the Illinois Casualty of Springfield as of April 30, 1936, amounted to \$504,359, capital \$200,000 and net surplus \$52,923, an examination report by the Illinois department discloses. The examiners state that the Illinois Casualty is sound financially, policyholders interests appear to be well cared for and claims settled promptly and the company is well managed by capable officers and directors who have had years of experience in the business.

Illinois Casualty is licensed in Illinois, Indiana, Iowa and Missouri, writing full cover automobile. On P. L. and P. D. manual rates are cut from 7 to 25 percent while full conference rates are charged for fire, theft and collision. No heavy interstate trucks are written but risks on the lighter class of trucks are accepted.

During the first four months of this

year, net premiums amounted to \$113,910 and total income was \$124,580. Net losses paid in the same period amounted to \$54,911 and total disbursements \$121,567.

In 1935 total premiums were \$301,071 and net claims paid \$127,619.

Total assets as of Dec. 31, 1935, were \$503,417. Premium reserve as of April 30 was \$139,052, unpaid losses and claims \$83,454. The loss ratio on an earned and incurred basis in 1935 was 39.20 percent and the expense ratio was 63.81 percent.

The book value of bonds owned is \$252,931 and actual market value \$249,613.

Development of reserves on P. L. business reflects a consistent underestimation in recent years.

American Casualty's Fire Company

The American Casualty of Reading, Pa., has put into the field a fire company, the American Casualty Fire, with \$200,000 capital and \$100,000 surplus. This undoubtedly will be the running mate for automobile insurance to write the fire and theft cover.

C. C. Chappelle, 64, former mayor of New Lexington, O., who represented a number of insurance companies, died at his home there.

ROBBERS MAY THWART GUNS AND GAS BUT

They Can't Break Through an Insurance Policy

A paymaster robbed—a messenger slugged—an office held up; despite the best precautions, these are almost daily occurrences.

Even the most modern protective devices and safety measures should be reinforced with insurance policies covering

*Paymaster Robbery—Messenger Robbery
Interior or Office Robbery*

At a cost surprisingly low, insurance provides the only certain indemnity for financial loss through these hazards.

Send today for the folder outlining our comprehensive and up-to-date forms. In these days of growing payrolls, commissions on these lines should be an important part of your income.

**AMERICAN
SURETY
COMPANY**

1884

Organized

**NEW YORK
CASUALTY
COMPANY**

1890

Home Offices: 100 Broadway, New York

Branch Offices in Principal Cities

Both Companies Write

Fidelity and Surety Bonds and Casualty Insurance

MANY PROBLEMS DUE TO TRAILERS

(CONTINUED FROM PAGE 3)

that are using or will soon use trailers are: General Electric, Westinghouse, Kraft Cheese, mills which are makers of ice cream machines, and Armour. There is a chain of beauty operators that is outfitting trailers as beauty salons.

Many responded to Mr. Davis' invitation to ask questions. One inquiry was whether the rear spring of the towing car need be strengthened to pull a trailer of 19 or 20 feet. Mr. Davis answered that if the trailer is being used for domestic purposes it can be pulled with safety by almost any car, without any extra fortifying. If the trailer is being subjected to heavier use, it may be necessary to put an extra leaf in the rear spring of the towing car.

In answer to another question, Mr. Davis said it is surprisingly easy to learn to drive a car that is pulling a tractor. Backing up presents something of a problem. It is usually necessary to detach the trailer and turn it around with use of a caster jack.

In answer to another question, he said that there are two types of brakes being used for trailers—hydraulic and electric.

He was asked about the business of leasing trailers. Mr. Davis declared that this may prove to be quite an enterprise. He said that a truck company is in the market to purchase 500 trailers, with the idea of leasing them from \$45 to \$50 a week.

One of the problems that confront the purchaser of a trailer is where to store it. The Pierce Arrow people are going to build a big warehouse on the south side of Chicago and store trailers at \$3 per month with an extra charge of \$1 for in and out service. The Pierce Arrow people are also promoting the idea of having several families join in purchasing a trailer on the club plan.

Trailers Will Be Rented

For those who desire to purchase a trailer for use only a few weeks a year, Mr. Davis said an arrangement is being made whereby the Pierce Arrow people will rent the trailer for the purchaser in off seasons.

There was a question about the visibility, that is, whether there is any arrangement whereby the driver can see back through the trailer. This is not feasible, Mr. Davis said. The proper arrangement is an armed rear view mirror attached to the door hinge in front.

Mr. Davis was asked about the average life of the trailer. He got a big laugh when he said the average life of some trailers is about three days. Seriously, he voiced the opinion that a properly built trailer should be serviceable for 15 years.

Refinements Introduced

There are all sorts of refinements being introduced. For instance the trailers are being given anti-termite treatment.

In answer to a question, he said that the mobile home that William Stout is making is selling for \$2500. The cost of a Pierce Arrow trailer runs from \$495 to \$1195.

In addition to Mr. Davis, the automobile superintendents heard an interesting talk by A. H. Faeh, general manager of the Chicago Automobile Trade Association, who is the impresario of the Chicago Automobile Show. Mr. Faeh gave some entertaining sidelights on behind the scenes machinery in connection with the automobile show. Whereas at the 1935 show there were four trailer manufacturers exhibiting, this year 15 manufacturers will display 60 trailers. Some 25 manufacturers of trailers are clamoring for space. The trailer exhibit will be in an unusual setting, without outdoor decorations, including fish, etc. President Sanders presided.

FEW INSURANCE OFFERINGS

Although the trailer industry is growing at such a rapid pace, most of the fire companies report that the demand for insurance has not yet been great. Most of the companies have a few risks on their books but the offerings are rather scarce. As far as can be ascertained, no underwriter is accepting the business enthusiastically. They all regard it as accommodation business. Apparently no effort is being made to gather experience on trailers. These are thrown into the commercial car classification and there is no segregation.

Most of the companies that have experienced any losses say that these have been in connection with the home-made trailer.

Some of the financing companies have been seeking insurance on trailers purchased under contract. Several such lines have been shopped around. No company, so far as can be determined, is looking on this business favorably. The underwriters state that an individual trailer can be handled where there is a chance to investigate the owner and the structure of the trailer. They do not want to cover hundreds or thousands of trailers that will be put to various uses and represent hundreds and thousands of different kinds of risks.

Policy of Insurance Companies

Where a regular finance company is handling a few trailers along with its regular business, the insurance company that has the finance account will insure the trailers, but no insurance company wants to handle the line of a finance company that is going in heavily for trailers.

The underwriters are very much interested in whether or not trailers will prove to be a fad. If they are to be a fizzle, the underwriters want no traffic with them. They fear that the moral hazard would be tremendous. However, if the trailer industry is to be permanent, then the underwriters will have a different attitude. They are watching this general trend very closely and are seeking the opinion of observers. They are reading the trade magazines of the trailer industry and are seeking to keep well informed.

As to marine coverage on the contents of commercial trailers there is very little enthusiasm. Executives feel that the theft hazard would be tremendous. They fear there would be considerable hi-jacking just as there is in the truck field. They also point to the danger of collusion losses on the part of the salesmen.

Wilson Outlines Year's Objective

(CONTINUED FROM PAGE 3)

ing clerical assistance to office agents appointed after that date, the situation is greatly improved and they stated that the former practice of naming office agents as regional agents was ruled out some years ago.

It was understood that the company people would consider means of cooperating with the agents and Mr. Wilson stated that the agents shortly should have an answer to the proposal.

Local Board Model By-Law

The National association, he said, will inquire whether the local boards have adopted the model by-law that was approved at the mid-year meeting in Atlanta providing that no member deal with any company that operates within the territory a production office unless there is filed with the board in a prescribed form a statement certifying that the maximum expense in conducting the office does and will not exceed an amount equal to the commission and/or other acquisition expenses which the companies pay to agents who are members of the board.

This by-law has been available for six months and continuity of purpose, according to Mr. Wilson, "demands that we inquire what action you have taken."

The National association, he said, will continue its study of retrospective rating in compensation with the hope of eventually finding an answer that will have a more general accord. He said it is apparent the plan will not receive approval from many states.

Mr. Wilson was especially outspoken in referring to reduction of commissions on federal contract bonds. He said the National association inquires, "How much longer the agents are to be toyed with by the Towner Rating Bureau and just when they may expect something akin to fair treatment from their surety companies?" The agents originally agreed to share with the companies a cut in premiums for contract bonds. "Apparently," he said, "we do not have the right definition of a joint enterprise. We thought it meant share and share alike."

Financed Auto Business

In approaching the matter of financed automobile business, he made a distinction as between major and minor accounts. In speaking of major accounts, he said, "Many of us realize that this business was created by the finance companies and that whether we like it or not they are here to stay. It seems proper that we should carefully consider an approach to the solution of this matter with every desire to protect not only our rights but the rights of our companies as well. We believe that at present with each of the major accounts there is an agent, a member of the National association, in the picture. What we are concerned about most is the question of violation of the principle of overhead writing. If we can evolve some plan which protects this principle, we will be moving in the right direction."

So far as minor accounts are concerned, or those involving 100,000 cars or less, the National association is particularly interested in working out with the National Automobile Underwriters Association a plan whereby this business can be preserved for the account of local agents. The National association has recommended adoption of a mortgage clause, adaptable to individual policies, extending the same protection to the mortgagee or vendor as is now provided by a master policy; that some form of errors and omissions cover be provided; that all the business be written through bona fide local agents; that companies not appoint banks or financial institutions as agents for any purpose; that the agents writing any account shall pay an over writing commis-

"MY BUSINESS RENEWS *Itself*"

So states a New Jersey representative of the American Motorists Insurance Company. And hundreds of other successful agencies have found that AMICO participating policies, which actually save the policyholder money, not only sell more readily, but that they stay sold year after year.

If you are looking for a bigger share of the good Automobile and general casualty insurance volume of your community, it will pay you well to get the facts on this strong legal reserve company. We will be glad to give you information, without obligation, upon request.

AMERICAN MOTORISTS INSURANCE COMPANY

James S. Kemper, President

Home Office . . . Chicago, U. S. A.

THE ONLY ILLINOIS COMPANY HOLDING A CERTIFICATE OF AUTHORITY AS AN ACCEPTABLE SURETY ON FEDERAL BONDS

sion on such cars as are financed beyond the state of origin of the account; and that whatever plan is agreed upon should apply to all existing and subsequent minor accounts.

As to bank financing of automobiles, Mr. Wilson observed that in some localities results of this movement have found immediate favor whereas in others agents have been unwilling to ask banks to go into the finance business lest the insurance business attached to it is found too enticing for the banks to resist as time goes on.

He paid his respects to the consumer cooperatives and made the point that various trade groups that have in the past bred mutuals and reciprocals are now threatened with destruction by the same type of cooperatives.

Mr. Wilson urged state associations and local boards to appoint strong committees to make a direct attack on the cooperative system through these trade groups.

The National association favors the various states conducting membership drives simultaneously and this should be as soon after the beginning of the fiscal year as possible.

Trucking Association Has Lively Insurance Debate

(CONTINUED FROM PAGE 37)

commendation appears certain of approval.

Other recommendations were that negotiations with insurance interests and the Interstate Commerce Commission be continued and that the committee be authorized to continue its efforts to reduce losses and insurance rates. No opposition to these points is expected.

Long Negotiations

The truck operators are obviously dissatisfied with their present insurance. Mr. Horton's statement that most of the people present are now insured in "cats and dogs" meeting with no opposition. To interest responsible carriers in the long haul business, the committee held a series of meetings with company and bureau officials. The first meeting was with Harold Warner, United States manager, Royal-Liverpool group. While nothing definite has been arrived at, Mr. Horton stated that the truckmen still hope to induce this group to underwrite their business.

Other conferences were held with J. A. Beha of the National Bureau of Casualty & Surety Underwriters on public liability rates and forms and with representatives of the Inland Marine Underwriters Association on cargo cover. The recent modification of Interstate Commerce Commission rules, permitting insurance in companies not admitted in all states in which the truckmen operates was promulgated after a conference with the A. T. A. insurance committee.

Markel Deal in Prospect

The most promising pool arrangement now in negotiation is with S. A. Markel, president, American Fidelity & Casualty, and head of the Markel Service, which serves long haul truck business. He is arranging for an organization of other companies to handle all lines of truck business, including liability, compensation and cargo. A meeting was scheduled in New York last week with the A. T. A. committee, Mr. Markel and Superintendent Pink of New York, but it was postponed because of the illness of Mrs. Markel, who died at Richmond last Saturday. Mr. Horton expressed the hope that an early announcement of this arrangement would be possible.

Mr. Horton stated that the committee realizes and the members of the association should realize, that the truckmen must pay for their accidents, regardless of what plan is adopted. The committee is not trying to bleed insurance companies, he stated, only to make insurance in sound carriers obtainable.

Interest in the meeting was evidenced by the fact that the Central Mutual of

Chicago, a large writer of long haul business, and the Markel Service maintained headquarters. Present for the latter were R. F. Knight of Kansas City, manager motor truck division, and T. A. Markel, resident vice-president at Kansas City.

Swadener Is Elected as New President in Indiana

(CONTINUED FROM PAGE 41)

Bridge and a trip about the city were provided besides other entertainment features.

* * *

Entertainment was well taken care of by the Marion Board with 15 members as a committee of the whole, James W. Corbett being president and J. A. Searles as vice-president.

Past presidents of the Indiana association were introduced at the banquet, including J. W. Kirkpatrick, Muncie; H. P. Frazier, Evansville; J. W. Stickney, Indianapolis; Atwood L. Jenkins, Richmond; F. A. Tedford, Lafayette; G. B. Woodward, Bloomington; Ralph G. Hastings, Washington, and the then president, Chris Zoercher, Tell City. Clyde B. Smith, Lansing, Mich., past president of the National Association, was also introduced. On behalf of the local association, Toastmaster Earnhart presented Mrs. Zoercher and Mrs. Smith with beautiful bouquets of roses.

* * *

Mayor Carl F. Barney extended the welcome for Marion.

* * *

The nomination committee was headed by J. W. Kirkpatrick, Muncie, assisted by Harry P. Frazier, Evansville, and A. W. Jenkins, Richmond.

* * *

James W. Corbett, resolutions committee, Marion, was chairman, with Ralph G. Hastings, Washington, and George W. Fisher, Fort Wayne, as members.

Explosion in Waco Caused Great Multiplicity of Losses

(CONTINUED FROM PAGE 5)

and about the place. The segregation of the explosion and fire losses here is another problem. That end of the question is being handled in New York.

Across the street from the bank building was a store whose stock was covered by explosion insurance. The plate glass fronts and all the windows of this store were wrecked by the explosion and part of the top of the building caved in. The damage to the stock was pretty heavy and firemen, in endeavoring to prevent a spread of the flames, further damaged it. This building was not protected by explosion insurance.

All the buildings within a block of the Liberty had their windows and their plate glass arrangements shattered by the explosion. In most cases these buildings were not covered by explosion insurance but in practically all the plate glass fronts and displays windows were insured and the loss will have to be paid.

The bank building itself suffered heavy damage to the walls on the first and second stories from the explosion. The framework withstood the blast however, and adjusters are endeavoring to figure out just what part of the damage to the building was from the explosion, which was not covered, and what part from the fire following the blast. The adjusters probably will complete their work in the next ten days.

The explosion in the big building has had one noticeable effect. That is the increased sale of explosion insurance in Waco.

Does Not Have the Westerns

The Western Casualty & Surety and the Western Fire state that the report that Bartling, Inc., of Kansas City, represents the two companies is not correct.

What Do YOU Think?

"I DON'T tell him what I think; I ask him what he thinks," says a successful agent who has learned an important lesson in human psychology.

What you think about life insurance is of little interest to your prospect. Ask him what he thinks about his prospects for the future, what he plans for his children, how much his wife's security means to him.

He will tell you and then your minds will meet on the subject of life insurance, which a man must logically consider when he is thinking about financial protection for himself and his family.

"What do You think?" is a good approach.

John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

• a new THREE-QUARTER Record

PROVIDENT LIFE and ACCIDENT

\$12,569,558 Gain in Life Insurance in Force at close of Third Quarter 1936

INSURANCE COMPANY

\$548,121.83 Premium Gain in Accident and Health Business Over First Nine Months of 1935

CHATTANOOGA, TENNESSEE

Provident
plans

for

Provident
People

—since 1887—

Life : Accident : Health : Group

COTTON LOSS DISPUTE IS REVIEWED

(CONTINUED FROM PAGE 4)

holder of receipts is owner of the cotton and therefore the CCC was the owner.

The CCC, not relying on the warehousemen, according to Cravens, Dargan & Co., has secured what purported to be an errors and omissions policy in the Hartford Fire. Cravens, Dargan & Co. stated that there has been considerable mystery as to just what the provisions are of that policy. The state authorities reported that they had investigated the contract and decided it was all right.

Mr. Easley finally obtained a copy of the certificate issued under the Hartford policy and decided that the contract was one of fire insurance, protecting all cotton owned by the CCC and, therefore, constituting other insurance. The St. Paul policy, written on the Cravens, Dargan & Co. original cotton reporting form, carried the stipulation: "No other insurance permitted."

A similar situation arose at Post, Tex., in connection with loss on the Garza County Warehouse & Marketing Association. The St. Paul policy at this location permitted other insurance on the same plan, term and provision, but not otherwise; there was also an excess clause applying to cotton insured by its owner.

Cites Hartford Agreement

Cravens, Dargan & Co. stated that the St. Paul denied liability on certain cotton in both the Kauffman and Post fires. On cotton where there was no question as to liability the St. Paul paid off "with its usual promptness."

It appears that the Hartford entered into an agreement with the Kaufman Compress Company that the latter should sue the St. Paul and the compress company would be held harmless from all costs and damages, including reimbursement for the time lost by its employees in the prosecution of the suit. According to Cravens, Dargan & Co., suit was instituted against the St. Paul under the direction and supervision of attorneys furnished by the Hartford Fire. The same arrangement was made in the Garza County Warehouse case.

The Kaufman case was tried before a jury, which returned a verdict for the compress company and against the St. Paul. This verdict was excessive and was reduced somewhat by the judge, who then entered it.

Who Owned the Bales?

In the pronouncement of the court in the Garza case, it was stated that St. Paul F. & M. wrote the policy on cotton in the Garza County Warehouse & Marketing Association at the direction of the warehouse, protecting the owners of the cotton and the warehouse company. Fire destroyed the cotton on Jan. 17, 1936. There were 119 bales covered by a Hartford policy; 35 cov-

ered by the North America.

There is question as to who owned the 119 bales. Hartford Fire insured it for the Commodity Credit Corporation. The St. Paul policy covered all the cotton in the warehouse. The Hartford and North America policies covered the cotton of certain owners.

The St. Paul policy had this provision: "Excess insurance—It is understood and agreed that this insurance does not cover any cotton on which the owner has other insurance which would attach if this insurance had not been issued, except on the value, if any, in excess of such other insurance."

The court remarked that there was a marked similarity of purpose between the Hartford and St. Paul policies. They were each issued to make negotiable the warehouse receipts. With the Hartford policy the owner of the cotton had a negotiable receipt upon which he could borrow money. With the St. Paul policy the owner of the cotton stored in that warehouse had a negotiable receipt.

The question is whether the policy that had been issued to the owner of the property or the one that had been issued to the warehouse should pay.

The farmer, the court declared, in the last analysis, was paying for both policies.

The real facts are, according to the court, that this is a contest between two insurance companies.

Judge Was Critical

The judge indulged in some criticism of the Hartford Fire for seeking to finance the suit of the Garza people against the St. Paul.

The court concluded that there is no doubt that the Hartford policy protected the cotton and the St. Paul policy did not apply.

Referring to the deal between the Hartford and the Garza people, the judge referred to the classics, saying:

"It is like the practice of the long past, when the Persians kept the Greeks off of them by furnishing gold to keep them warring among themselves, from the Battle of Salamis on down to the time of Alexander."

The court stated it is manifestly apparent that the Commodity Credit Corporation was either the owner of the cotton, or the agent for the owner and under those conditions the Hartford policy would attach.

High-Low Plan Is Real Life Saver

(CONTINUED FROM PAGE 35)

has the Travelers collected a supplementary premium.

Mr. Perkins undertook to analyze why the big risks had been leaving the stock companies. Some attribute the loss, he said, to keener competition. They err, he contended, in thinking of competition as an effect instead of a cause.

The cause, he contended, was the antiquated rating methods. When workmen's compensation was first written in 1912, he recalled, a few classifications were set up and in the rate computation, 40 cents was assigned to expenses and 60 cents to losses. That system was satisfactory until the large risks objected to the 40 cents expense element. In that objection, he said, the mutuals were born.

In order to make the rate more closely fit the risk and hazard, the stock companies extended the classification system. This proved unsatisfactory, because the mutuals proceeded to take the cream from each of the classifications.

Then schedule rating was resorted to in an attempt to make the price more closely fit the hazard.

Subsequently experience rating was adopted. That worked fairly well until

the great disturbance in economic conditions, changes in wages, etc. The lag inherent in experience rating became an outstanding fault.

Then equity rating was adopted, and he remarked parenthetically that some requests for equity rating are logical, while others are merely ingenuous.

There will always be the odd risk that can't be described in a classification system or that by housecleaning produces a better than average loss experience.

What is needed, he declared, is some treatment that will measure today's hazards. The companies realize now that they must have a modern rating method.

The only hope for overcoming the objection to this modern rating method that is being so forcefully entered by mutuals and reciprocals, is for the producer and employer to bring pressure in its behalf. As soon as the producer realizes he needs this particular type of rating method and as soon as the employers realize they can get it and demand it, then it will get the approval in closed states. There must be pressure on the various boards having jurisdiction in the various states from the employers.

Really Experience Rating

Mr. Perkins undertook to prove that retrospective rating is really experience rating.

In experience rating, the results of five years are used to calculate the rate. The immediately preceding year or the sixth year is omitted and the rate for the current or seventh year is on the basis of the first five years.

There came a demand that the experience of the more immediate past be used. As a matter of fact the companies did start using the experience of the first nine months of the immediately preceding year. The mutuals objected to this and "threw a fog into the picture" so the stock companies had to abandon that system.

The thought was advanced that the experience of the first three months of the current year be used as a factor in determining the current rate. It was not a far step to suggest that the full current year's experience be applied. The theory is advanced by some that to use the current year's experience is to sell participating insurance.

Mr. Perkins contended that experience rating is really participating insurance for that matter. In experience rating in a self rated risk the results of the fifth year of the experience period affect the rate only to the extent of one-fifth. As the years go by and as what is now the fifth year becomes the most remote year in the experience period, that fifth year will have given the rate for a particular year. In other words, every year makes an experience that produces a rate for some year in the future.

The difference is that under the retrospective plan the year that is used for producing the rates is the current year. The iron is hit when it is hot.

Mr. Perkins said it is also important to be modern about expenses. He classified home office, payroll audits and inspection expenses as budget items. The company must know in advance what these are and must know that the money will be forthcoming to pay for them. For instance, the company must get its inspection cost dollars in full. Those dollars can't be a percentage of an indeterminate premium. They must be forthcoming independently of what happens to the experience of the risk. They must be produced as a percentage of the standard premium.

So far as claims expense is concerned, this follows the losses. The company should not charge for adjusting losses that don't occur. For every \$1 of loss incurred, the adjusting expense is 8.3 cents.

The tax must be a percentage of the gross premium.

The acquisition cost is a matter of agreement between the company and the agent. He contended that this must be definite and not a function of something that may happen later.

Mr. Perkins said that the producer fares just as well commission-wise un-

der retrospective rating as he does where an equity rate is applied. Where the producer asks for equity rates, he is satisfied with a full percentage commission of the lower rate. The retrospective plan gives the assured the equity rate to which he thinks he is entitled and the commission to the agent is based on the minimum premium which corresponds to the equity rate. There is no reason, according to Mr. Perkins, for paying an extra commission if the risk gets worse and must pay a supplementary premium.

The retrospective rate consists of the so-called budget expenses, plus the losses, plus 12 percent (in Illinois) for taxes and partial loss adjusting expenses.

A maximum limit to the supplementary premium that the assured might have to pay was established to remove the plan from the realm of pure self rating. There is nothing sacred about the maximum limits that have been established and published. As time goes on and producers and assured become more familiar with the plan, Mr. Perkins predicted that sliding maximum limits would be permitted for risks of any size, with the premium adjusted accordingly.

With a maximum and minimum limit established, the plan is complete but there is no profit in it, Mr. Perkins said. Under the old method, the company made a profit if its selection was good and if it succeeded in bringing down accidents.

Where an assured makes his own rates, there is no chance for a profit unless there is too high a charge for the catastrophe or excess coverage. However, the companies have omitted a profit factor and have set the minimum premium at a point where there is some possibility of the companies capturing a profit if the loss ratio is brought under 25 or 30 percent. That is perfectly fair, Mr. Perkins contended. The employer has been given everything that is coming to him.

Minimum Premium

The minimum premium, he said, must be low enough to attract the assured and high enough to satisfy the producer. The minimum is lower than an assured can get by equity rating.

An assured might contend that he would be just as well off under the regular experience rating plan. The difference is that there is a credibility factor in the experience plan so that an assured does not get the full benefit of good experience. Perhaps the credibility factor is 50 percent. Then he gets a saving of only 50 percent by unusually good experience. Under the retrospective plan he gets 100 percent credit, subject only to the minimum premium. If the risk continues under retrospective rating permanently, it will get something it could not possibly get under experience rating.

Mr. Perkins argued that the retrospective rating plan is salable. He said it will open the door to stock company agents and will open the market to risks that heretofore have not been able to get coverage. It will put the stock companies back in their rightful place in the compensation field, he said.

In answer to a question about the attitude of state authorities toward retrospective rating, he pointed out that Massachusetts has approved the plan and the New York department officials are sympathetic. He pointed out that the plan will be opposed in every one of the closed states by the mutuals. A demand for it must be created to overcome this resistance. He said it may take up to five years to have the plan adopted in a majority of the closed states. The Travelers is prepared to fight with every resource to get the plan approved, he said.

He was asked about the mutual plan that was proposed as a substitute for retrospective rating. Mr. Perkins characterized this as a "smoke screen."

Mr. Perkins was introduced by W. Herbert Stewart, well known Chicago local agent, who has been active on the conference committee of the National Association of Insurance Agents dealing with retrospective rating.

A PROGRESSIVE
COMPANY
FOR
PROGRESSIVE
AGENTS

COMMERCIAL STANDARD
INSURANCE COMPANY
FORT WORTH, TEXAS

Give O. D. Setup State-by-State

(CONTINUED FROM PAGE 35)

groups, each group following a different theory with respect to the same legal problem."

The survey shows that compensation acts have been passed in 46 states (Arkansas and Mississippi are without this type of legislation), while only 17 states and the District of Columbia grant compensation for occupational diseases. In five of the latter, however, silicosis is not included in the list of compensable diseases.

There is a legal obligation on the part of the employer to provide a safe place to work and usually the matter of ventilation is covered. The mining laws approach uniformity as to air quantity and mechanical ventilating equipment.

Concerning the controversial point of required medical examinations for workmen, the report comments:

New Medical Problems

"With the adoption of occupational disease acts, new medical problems arise and more adequate provision is required for medical examination and treatment. This is especially true with respect to dust disease, which calls for diagnosis by skilled specialists experienced in that field."

In New Mexico the compensation act says: "It shall be the duty of the workman" to submit to physical examination, while in New York, the act of 1936 covering silicosis and other dust diseases, states:

"It is hereby declared to be the policy of the legislature of this state to prohibit, through every lawful means available, any requirement as a prerequisite to employment which compels an applicant for employment in any occupation coming within the purview of this article to undergo a medical examination."

Missouri provides for examination as often as once a month, by a competent, licensed and reputable physician, of all employees who come into direct contact with certain poisonous agencies or injurious processes. New Jersey, Ohio, and Pennsylvania require employers to have examined, at least once a month, employees engaged in any work or process exposing them to lead dust, lead fumes or lead solutions.

North Carolina requires examination both prior to employment and from time to time during employment.

In Kentucky, Massachusetts, New York, North Carolina and West Virginia definite recognition has been given to some type of medical board composed of specially qualified physicians and surgeons, and charged with the duty of diagnosing occupational disease and of advising the administrative board or commission with respect thereto.

The right of a workman who has suffered an occupational disease due to the negligence of the employer, to recover damages at common law, is another point on which the courts hold contrasting views. In many states there appears to have been no occasion for the courts to rule on the subject. In other states where the right existed, it has been modified by the passage of workmen's compensation acts. In Illinois, Michigan, and Ohio it has been held that such common law right to recover damages for occupational disease never did exist. North Dakota may also be included here.

Negligence of Employer

After emphasizing that "lawyers might well differ as to where any particular states belong," the survey adds:

"In Connecticut, Georgia, and Texas, we would say that recovery is extremely doubtful.

"The common law right to recover for occupational disease caused by negligence of the employer probably exists, although there is some doubt, in the following states:

"Delaware, Iowa, Maine, Maryland,

Massachusetts, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Virginia, and Washington.

"That such right does exist seems well settled with respect to another group of 12 states: California, Kansas, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New York, and West Virginia.

"It should be noted, however, that occupational disease is compensable, to some extent, under the compensation acts, in all of this group except four states: Kansas, Louisiana, Mississippi, and New Hampshire. Hence the common law right to recover in eight of the 12 states is very much limited."

No Court Decisions

In the remaining 17 states and the District of Columbia no court decisions deciding the question of common law right could be found.

H. B. Meller, managing director of Air Hygiene Foundation, points out that the problems of industrial air pollution have their legal as well as medical and engineering aspects and added:

"No solution which will benefit society as a whole can be reached without intensive study of the manner in which the problem is affected by law."

He said the lack of uniformity in the laws, as well as the resulting confusion, are attributable to the present lack of sufficient definite knowledge and to the paucity of standards on the subject in medicine and engineering. Mr. Meller predicted that these shortcomings will be remedied by diligent study and scientific research now in progress.

Chicago Group Discusses Disability Claim Problems

(CONTINUED FROM PAGE 35)

claim correspondence brought out the fact that claim men often do not think about the reaction of the men who get the letters that they are writing. The address by Dr. Birchard of the Sun Life of Canada on coronary thrombosis, he said, brought out the point that the victims of that disease are not necessarily totally disabled.

In the discussion of releases, the point which interested him especially was that the companies are not greatly concerned about the words used in the release, but rather about the circumstances under which it is secured. Mr. Fankhauser said that if there is a definite understanding with the claimant, the release itself is of little importance. He said he had had several cases in which such an understanding had been reached, under circumstances where it was not feasible to get a signed release at once, and that in none of those cases had the claimant gone back on his agreement.

C. O. Pauley, Great Northern Life, told of the prominent part that Chicago men had had in the International Association meeting, especially in the symposium which Mr. Fankhauser had arranged and at which he presided, and stated that the good impression which he made in that connection was an important factor in his selection as chairman of the executive committee.

Question of Clinical Examination

Mr. Gordon was asked to comment on his address. Referring to his suggestion that the claim man build up a file of form letters applicable to different circumstances, he said that while he was in Detroit on his way back from the convention he ran into a system which was a decided improvement over the one he had suggested. A general agent there, who handles his own claims, has a card file of 300 to 400 cards containing paragraphs to be used in claim letters, indexed by topics. They include opening paragraphs applicable to different situations, and paragraphs explaining the reasons for the various policy provisions which may be involved in a claim case. The same man also has a similar file on agency correspondence, including collection, inquiries from policyholders, etc.

C. B. Hiron, Pacific Mutual Life, read his paper on termination of disabilities and claims, with particular reference to cases requiring rehabilitation of claimants, which brought out considerable discussion. Most of it was on his recommendation that cases involving extended disability, where there is a question as to the extent of disability, be referred to diagnostic clinics, where the claimant can be examined by specialists of the highest standing in their respective fields. One point brought up was as to whether the company should submit to the doctors making examinations under these circumstances all of its records on the case. It was stated that some claim men feel that the examiner should go into the matter with an open mind, but the consensus was that the examiner should be given all possible information, as diagnosis in any event is not an exact science and such information may often be of great value in evaluating the importance of certain conditions. The question of expense was also brought up, but the opinion was expressed that an examination that can be secured for \$5 or \$10 is virtually worthless in such cases and it is well worth while to spend \$25 to \$50, \$75 or even \$100 in order to secure real expert opinion.

The moral effect on the claimant of having the examination made by a number of specialists of recognized reputation was also emphasized. He is much more likely to accept their verdict than that of one physician. It has been found that there are decidedly fewer litigated cases when such examinations are made.

The question was asked as to whether steps are taken to assist the claimant in getting back into some sort of work, if the doctors say he is able to do it. Mr. Hiron said that he usually gets the doctors to talk to the claimant about that matter, and follows their advice.

Others present told of their experience with cases of this sort, including one where a dentist, who had been disabled for three years and had sold all of his equipment, was willing to try to resume practice if the company would continue to pay him for six months in order to finance him while he was getting started again. The proposal was accepted and worked out satisfactorily.

Interest in the Federal Study of Consumer Cooperatives

PHILADELPHIA, Oct. 21.—News-paper men covering the convention of the National Association of Mutual Insurance Companies were interested in any discussion or reference to the action of the government in having a commission go abroad to study the consumer cooperative buying movement and its possible application to this country. There were rumors to the effect that the government is seeking to apply the principle of cooperative buying to insurance. The general opinion seems to be that the government in making a general study of the co-operatives is seeking any information it can so far as the application of the mutual plan is concerned. Some, however, were fearful that this cooperative movement carried to extreme would not merely mean the termination of stock insurance but the general writing mutuals.

It seemed hardly likely from the report that the government would favor mutual over stock insurance. In the conversations on crop insurance the government officials emphasized that the cooperation of both classes would be asked. All hands, however, were greatly interested in what report this federal commission will make from its study of the cooperative movement on the other side.

Eschew Group Coverage

The Commercial Casualty and Metropolitan Casualty bring up an interesting point in connection with professional liability policies in the "Question Box

page" in the house organ "Loyalty." The question is asked why these companies advocate personal professional liability policies instead of coverage by certificates under a group policy for doctors and dentists.

"When a doctor," the answer states, "is sued for malpractice and expert fellow practitioners are called as witnesses for the defendant, the plaintiff, alleging prejudice, may challenge the admissibility of the testimony of any witness if it can be shown that he has a common interest with the defendant under a group insurance contract."

DIRECTORY CERTIFIED PUBLIC ACCOUNTANTS

ILLINOIS

S. ALEXANDER BELL & CO.

Certified Public Accountants

Specializing in Insurance Accounting,
Audits and Systems

18 South La Salle Street, Chicago, Illinois
Telephone: Central 3518

WINZER & CO.

CERTIFIED PUBLIC ACCOUNTANTS

Commercial Accounting
and Income Tax Counsel
Insurance Accounting
Fire, Casualty, Life

39 SOUTH LA SALLE STREET
CHICAGO, ILL.
Phone FRA. 6085

MINNESOTA

JAMES S. MATTESON & CO.

Certified Public Accountants

Suite 902, Fidelity Building
Duluth, Minnesota

James S. Matteson, C. P. A. (Minn. & Wis.)

WISCONSIN

FREDERICK S. STAPLES & CO.

Certified Public Accountants

First Wisconsin National Bank Bldg.
Milwaukee, Wisconsin

INSURANCE MEN
TAKE NO RISK...

Coming and Going

IT'S HOTEL Gibson

F. W. PALLANT - GEN. MGR.

1000 ROOMS \$2.50
WITH BATH FROM

Largest in **CINCINNATI**

REPRESENTED IN
CHICAGO by Harry McEvey, Hotel Sherman
PITTSBURGH by Bedford & Wanner, Standard Life Bldg.



Insurers of New Hampshire Convene

(CONTINUED FROM PAGE 4)

About 75 were in attendance at the business session Tuesday afternoon.

The executive committee in its meeting Tuesday morning voted to recommend to the New Hampshire Board of Underwriters adoption of pro rata cancellation on manufacturing and mercantile stock with coinsurance.

Banquet Draws 150

About 150 attended the banquet Tuesday evening. Gov. H. Styles Bridges, Republican candidate for United States senator who was scheduled the last speaker, appeared as the guests were being seated and expressed regret that campaigning duties were taking him away.

President Nelson introduced the new president, Robert N. Davis, and President Frank Sargent of the New Hampshire.

Commissioner John E. Sullivan said the first requisite for obtaining and holding the confidence of the public was the application of adequate knowledge to the problems of the customer. He urged the agents to take more interest in remedial legislative action.

Address of Downs

Mr. Downs in his address before the New Hampshire agents said that the newly elected governor, secretary of state and attorney general of Maine were in Boston last week investigating the operation of compulsory automobile insurance in Massachusetts.

He vigorously warned New Hampshire agents not to be bluffed into supporting any compulsory automobile insurance bill. He said the companies should have kept up the fight in Massachusetts in 1925.

"The companies have had repeated cause to regret their failure to make a more vigorous fight. Five years later the supreme court of Massachusetts unanimously declared a monopolistic insurance fund as repugnant to the state constitution. The companies have lost 18 million dollars on automobile liability since January, 1927, and must now go to court to learn whether an insurance commissioner can arbitrarily fix rates and compel companies to write at those rates or get out of the state," he declared.

Newspaper support put the Massachusetts law on the books, reported Mr. Downs. The law has defeated a gov-

ernor, put an insurance commissioner out of office, caused 14 lawyers and six doctors to lose their professional standing, increased accidents, generated rackets, put underwriting into hands of political boards, made messenger boys out of insurance agents who are called upon to give much free service in addition to writing insurance at one-half the former commission, he said.

When compulsory insurance was proposed in Massachusetts, Mr. Downs estimates one-half the agents in the state favored it. Today agents cannot get carriers to write their business, one million dollars of coverage can not be placed except under fear of the insurance department, and the cost to the public of insurance has increased 48 percent since the law went into effect. The courts are clogged until in some courts an automobile case can not be brought to jury trial for five and one-half years. Twenty-three companies have failed trying to write automobile business in the state.

Ontario, California and Maryland legislative committees investigating Massachusetts experience have reported unfavorably, he added.

Association Membership Gains

The New Hampshire association has 167 members, a gain in the last year, Secretary-treasurer Stewart Nelson reported. He also cited a gain in association funds.

Ferdinand B. Edgerly, Manchester, George E. Clark and Stowe Wilder were appointed a resolutions committee.

President Nelson departed from his prepared address to express especial thanks to Frank DeMerritt, Exeter, for his work as editor of Granite Chips, the association organ. Mr. Nelson also introduced Helen Meehan who has written the woman's page of the paper. Everett Webster, chairman of the safety committee, received recognition also for his safety leadership.

Must Recognize Trends

The importance of agents recognizing economic and social trends was stressed by Follett L. Greeno, former New York association president, Rochester, N. Y. It is dangerous to ignore developments and futile to oppose them. They should be given a careful and unprejudiced examination to see whether or not the trend is permanent and its development inevitable or whether it may be checked and turned in the direction desired. Another alternative is to adjust oneself in relation to it, making such changes as may be necessary to conform. This is the course of wisdom and it has often proven possible not only to adopt the new methods and abandon old ideas and practices, but by so doing actually to benefit by the trend itself, he said. Agents should try to find a real remedy to the compulsory automobile liability situation as there is a social demand for the solution that cannot be ignored.

Opposition Not Enough

The trend to wholesale insurance cannot be averted by mere opposition. It has to be recognized as a problem which has already dried up many sources of income for the average agent.

New impetus has been given consumers' cooperatives. "If the trend is not checked all business must succumb ultimately to a system essentially socialistic and un-American," he declared. No individual agent can keep track of all of the different trends, said Mr. Greeno. The National association has and can take care of the agents' interest in relation to the new developments. This function alone is worth the support of a loyal and enthusiastic membership.

New agency incorporations in New Jersey include Howard, Hager Co., Camden, by A. B. Hager, J. C. K. Mahon and Hannah C. R. Mahon; John McNamara, Jersey City, by Theodore McNamara, Peter McNamara and Charles McNamara; Kenwood Co., Newark, by Ida Stein, Myra Unger and Mary Isaacs.

Day's Plagues: Rate Cut Clamor, Taxes

(CONTINUED FROM PAGE 3)

identical properties are taxed by different jurisdictions, causing unnecessary administrative expense and annoyance. The uncertainty of the tax system constitutes another annoyance. New taxes are being created and old ones being changed in substance and effect. The undistributed profits tax has had a disturbing effect upon the future plans of the insurance business as well as that of other corporations. There is a need for more certainty and less complexity in the tax laws. They should be standardized in form.

Cites Public Interest

Although the demands for rate reduction are almost entirely political, they are disturbing factors and are fraught with the possibility of serious consequences, Mr. Clark declared. These demands, he said, do not emanate from property owners, but are inspired by political ambitions.

The public is interested to a greater extent in the insurance business than those in the business have educated them to believe. He said the public does not expect the insurance business to operate at a loss but unless it knows more about the problems of the business and the difficulties it faces in defending itself from unjust laws and unfair demands, future difficulties may be more serious than those experienced in the past. There is probably no business that is as little understood by the public as fire insurance, he said. Those in the business, he asserted, should form closer contacts with the representatives of other lines of business.

Mr. Clark referred to two complaints entered by Northwestern National against changes promulgated by the Western Actuarial Bureau. Northwestern National, he said, requested the W. I. B. to make a protest to the Western Actuarial Bureau committee against the provision under which the companies assume hail coverage gratuitously either under the windstorm policy or supplemental contract. Northwestern National contended this is an injustice.

Resolution Was Adopted

The directors of the W. I. B. adopted a resolution recommending that a plan be formulated that would enable companies to segregate the hail premiums and losses from tornado premiums and losses, so that a separate experience might be obtained. The subscribers committee was memorialized to establish and maintain proper and adequate rates for hail coverage. The directors of the W. I. B. in the resolution, stated it would be inexpedient now to make any formal demand for a specific rate for the hail coverage.

The directors decided that adoption of this resolution would constitute a warning to the subscribers committee that the W. I. B. companies are closely watching their loss experience on all classes and that such notice would have the effect of restraining the subscribers committee from making further "unwarranted" reductions in rates generally.

Northwestern National also complained about the actuarial bureau rules permitting windstorm coverage upon awnings, provided the insurance be written with that on the buildings and with the 80 percent or higher reduced rate coinsurance clause. Northwestern National states that for years it has carried awnings on the prohibited list for windstorm and contended that the bid for such business at the building rate is ill timed and most unwise from an underwriting standpoint.

The directors of the W. I. B. protested this decision to the subscribers committee.

Mr. Clark recited the happenings, leading to litigation, following the ruling of Commissioner Mortensen of Wisconsin that each solicitor in an agency

Hospitals for License Laws to Assure Payment of Bills

For the purpose of providing adequate means to compensate hospitals and the professional people involved in the care of persons who are injured by motor vehicle operators on the public highways, the American Hospital Association at its annual meeting in Cleveland adopted a resolution asking for a nationwide study and consideration of

(a) Compulsory examination and license only to competent able-bodied operators, whose license shall be subject to revocation for illegal operation.

(b) Compulsory indemnity insurance to be issued concurrent with such operator's license.

(c) The relevant systems already in force in Ohio, Massachusetts or other states.

The resolution states that too often injured persons and the operator of the vehicle are without adequate financial means, and as a result the injured person either fails to get adequate care or the hospital and the medical profession are unfairly burdened financially.

must be licensed for each company represented by that agency.

Mr. Clark referred to the fact that Roy Haser, Ohio Farmers, president Illinois Field Club—the W. I. B. organization—was invited to attend a joint meeting with a committee of the Illinois Fire Underwriters Association to discuss plans in connection with the Business Development Office. Mr. Clark said he directed Mr. Haser to attend the meeting and report to the W. I. B. directors so that they might decide whether the W. I. B. would lend its support to this movement.

Mr. Clark recalled that he was one of the heads of company organizations that was invited to appear on the Pittsburgh program of the National Association of Insurance Agents. He said this was a distinct compliment to the W. I. B. He said he was cordially received and he expressed the belief that the fact that the bureau was thus recognized will prove beneficial to the cause of bureau companies and bureau agents.

It is hoped the broadening of the dwelling and its household furniture form last July will serve to increase its popularity and salability, Mr. Soenke stated, reporting for the uniform forms committee. Many companies and agents had suggested the revision.

Mr. Soenke expressed the appreciation of his committee for the cooperation it received in its efforts to promote good practices through the use of uniform forms. He cited the valuable work rendered by the Uniform Printing & Supply Co., controlled by the W. U. A. and W. I. B., which distributes uniform forms and supplies to agents at a considerable saving to companies.

Additional committee chairmen appointed by Mr. Clark were: Arbitration, A. F. James, Northwestern National; grievance, W. E. Wollaefer, Concordia; maps, S. F. Weiser, Dubuque.

A meeting of the Western Sprinkled Risk Association was called by President Ralph Rawlings of the Monarch Fire at which routine matters were taken up.

Pilling on the Coast

Neville Pilling, United States manager for the Zurich, who has been touring through the Pacific coast branches, is expected to arrive at his office Oct. 26. He has been accompanied on his tour of Los Angeles and San Francisco by Jere Miller, special agent in charge of the Los Angeles territory.

Every picture in the Pictograph is worth a thousand effective sales words in selling Accident and Health Insurance. \$3.00. The National Underwriter.

BARLUM HOTEL

WHERE OLD-FASHIONED
HOSPITALITY AWAITS YOU



810
OUTSIDE
ROOMS

\$2

A DAY AND UP

DETROIT

CADILLAC SQUARE
BATES STREET

• RECENT COURT DECISIONS •

CASUALTY & SURETY

O., L. & T. Exclusion Upheld

Court Rules Company Not Liable Where Injury Is Due to Hazard Not Included

The exclusion in the owner's, landlord's and tenant's liability policy of accidents caused by elevators, wells, shafts, hoistways or equipment thereof, was upheld in the case of Deban vs. Continental Casualty Company, decided by the supreme judicial court of Massachusetts.

In this case, a third party had been injured by a sidewalk elevator on the assured's premises. The company denied liability and the assured paid damages and expenses and sought to compel the Continental Casualty Company to reimburse him. The assured claimed that men representing the company examined the store and the sidewalks and contended that this should be accepted as evidence that the insurance company intended to include elevators. The court held that since no elevator was described in the schedule and no premium was charged or paid for any elevator or hoist, the policy should be construed as written.

Both Carriers Liable When A Joint Policy Was Issued

Where two companies issue a joint policy, each company assuming one or more coverages, both companies are proper and necessary parties to an action to enforce a judgment involving both coverages. This was held by the supreme court of South Carolina in Adderton vs. Aetna Casualty & Surety Co., et al.

Had Joint Policy

In this case, the assured had a joint Aetna policy, the Aetna Life assuming the bodily injury liability coverage and the Aetna Casualty the property damage protection. The plaintiff recovered a judgment against the assured for damages to his automobile and to his person. The jury did not separate its judgment into an amount for personal injury damage and into an amount for property damage. The court held that since a complete and separate determination of the liability of each company was not possible, both should be sued and a joint judgment might be had against them.

Refusal to Attend Trial Not Failure to Cooperate

Refusal of an assured to attend the trial of a case against him unless he is paid for his expenses and also for his loss of wages is not such failure to cooperate in the defense as will void his automobile liability insurance policy, according to the Washington supreme court in Lienhard et al. vs. Northwestern Mutual Fire Association et al. After the accident in Seattle the assured got a job in California. He declined to attend the trial unless paid for his time as well as expenses. The court indicated that the insurance company could have taken his deposition in California if it did not want to pay his expenses to the trial, and loss of time.

Bad Faith Ruling Is Upheld

Company Liable for Full Judgment After Refusing to Settle for Face of Policy

Refusal of the insurance company to settle an automobile liability case for the amount of the policy, with a resulting judgment far in excess of the policy limits, was held to be bad faith and the company was held liable for the entire judgment. This was the holding of the Wisconsin supreme court in the case of Lanferman vs. Maryland Casualty Company.

Lanferman was insured against automobile liability with a limit of \$5,000. He injured Tomasik and suit was brought Tomasik's counsel had offered to settle for \$5,000 and costs, but counsel for the insurance company refused to settle for more than \$5,000. A judgment was rendered against Lanferman for over \$15,000. Lanferman sued for the difference between the amount of the judgment and the sum

actually paid by the insurance company. The court held that since "\$5,000 and costs" was the limit of liability of the policy, the insurance company refused to settle for the face of the policy, although it was proved that it had been advised by investigators that a suit would undoubtedly result in a judgment far in excess of the policy limits. The jury found that such an attitude indicated bad faith on the part of the insurance company and the supreme court upheld this finding.

Error of Agent at Issue

In Lewis vs. State Automobile Mutual Insurance Company, the West Virginia supreme court of appeals refused to permit the insurance company to deny liability under an automobile theft policy on the basis of false representation in the declarations. The assured claimed that he stated the facts to the agent correctly and the agent wrote the policy erroneously. The insurance company sought to have a verdict directed on the ground that if the company's agent misunderstood and with honest misunderstanding wrote the policy incorrectly, there was no contract. On appeal, the court held that this was a matter for the jury to decide and upheld the jury's verdict.

Age of Automobile Driver Is Question for the Jury

In Acquaviva vs. Madison County Mutual Automobile Insurance Company, the appellate court of Illinois held that the jury's verdict should control as to whether a person under the age prescribed in the policy was operating or in charge of the automobile, within the meaning of the exclusion in the automobile liability contract.

Age Restriction

In this case, the policy provided that there should be no coverage while the automobile was operated by or in charge of any person under the age of 16 years. The assured's son, who was below this age, took the automobile, but it was claimed that he had turned it over to a guest, who was over 16, before the accident occurred. This part was disputed in testimony. The company contended that, regardless of who was driving the son was still "in charge of" the automobile. The court held that this was a question for the jury to decide. The jury held that the guest was driving and was in charge of the automobile and the court sustained the judgment.

GET YOUR SHARE OF SALES ON HOODOO DAY

FRIDAY, NOVEMBER 13th, will be National Hoodoo Day. On that day live-wire insurance men will be out selling accident and health insurance, cashing in on the superstitions of their fellow men.

The object of Hoodoo Day is to sell 13 accident insurance applications on Friday, the 13th. It is a sales natural—no prospect can turn down a sales approach on accident insurance on Friday, the 13th. That certainly would bring bad luck. Hoodoo Day drives in the past have proven unusually successful from a sales standpoint. The Black Cat Club, made up of salesmen who have sold 13 accident applications or more on Friday, the 13th, now has over 300 members. Plan to bolster your premium volume by going out and sell 13 accident policies on November 13th.

To aid you in making your sales quota of 13 accident policies on November 13th, the Accident & Health Review (a National Underwriter publication) has prepared a special sales kit showing samples of Hoodoo Day promotional material, including:

- Hoodoo News, an illustrated pre-approach sales folder to mail out to prospects three days before the big drive.
- Black Cat Postal Card to mail out two days before the drive telling when you will call.
- Black Cat Display Card (11 x 14) to distribute around your neighborhood in prominent places.

Send 20 cents for a Hoodoo Day Sales Kit to the Accident & Health Review, A-1946 Insurance Exchange, Chicago, Illinois.



GO-GETTERS...

Join the exclusive Black Cat Club by selling 13 accident policies on Friday, the 13th of November, 1936. Send 20 cents now for HOODOO DAY Sales Kit of promotional aids to use in the big money making drive.

ACCIDENT & HEALTH REVIEW

A-1946 Insurance Exchange
CHICAGO, ILL.



Another Touchdown

FOOTBALL has its thrills but so has business. Autumn ushers in certain events which afford the well equipped insurance agent plenty of opportunities for action and commensurate profits. The appearance of new automobile models, the approaching elections, the harvesting and shipment of crops, the rising trend of travel and commerce all point to productive and remunerative channels for your sales efforts. And an organization like the Ætna Fire Group offers you the facilities, the co-operation and financial stability that are so essential to success in the field.



THE ÆTNA FIRE GROUP HARTFORD CONNECTICUT

ÆTNA INSURANCE COMPANY - THE WORLD FIRE AND MARINE INSURANCE COMPANY
THE CENTURY INDEMNITY COMPANY - PIEDMONT FIRE INSURANCE COMPANY

